UNEQUAL SACRIFICE • ANDREW J. BACEVICH

THE Nation.

CHINA IN THE DRIVER'S SEAT

PROGRESSIVES DEBATE A NEW WORLD ORDER

ROBERT DREYFUSS

SEPTEMBER 20, 2010
TheNation.com

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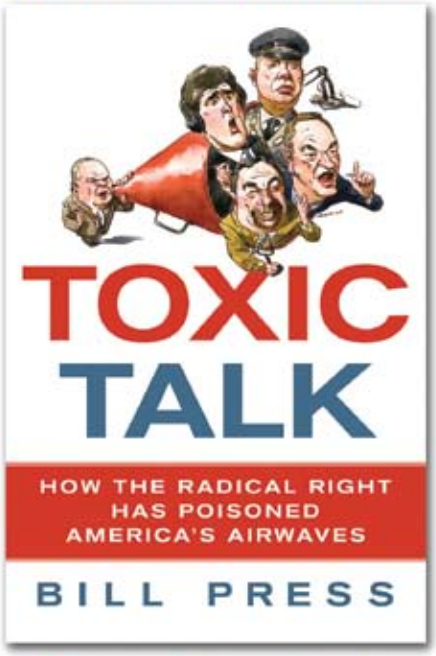

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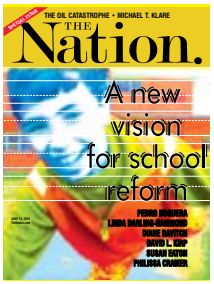
Letters



Back to School

Chillicothe, Ohio
As a retired teacher, union officer and reformer, I appreciated "A New Vision for School Reform" [June 14], your special issue on education. But deeper exploration is needed. Schools have not "failed" in their mission. They were designed as inculcation factories; their job was to keep the kids off the street, teach them work skills and turn our nation of immigrants into one nation—*e pluribus unum*. They did that job pretty well. After *Brown v. Board of Education*, schools had the task of integrating our society, with which they've struggled mightily and had some successes.

Those schools were more humane, more student-centered than today's, which aim merely for high test scores. What's been left out of the story is the meanspirited retaliation from the right for teachers having entered the political fray, endorsing Carter for president and getting an Education Department. Reagan promised to abolish the department and created *A Nation at Risk*, which blamed the schools for the failures of business. That report was thoroughly debunked, but the press bought the idea that our schools had failed.

Make no mistake: public schools and teachers have become targets. Sadly, some Democrats, including, apparently, President Obama and his education secretary, Arne Duncan, are using bribe money to get cash-starved school districts to agree to rate their teachers by student test scores—as ludicrous as that is—firing people, responsible or not, for our society's neglect of the poor. Creative, conscientious teachers will be leaving in droves. Good recruits will be harder to come by. And the poverty that kills kids' chances will still exist.
Jack Burgess

Philadelphia
As an educator, I am fascinated by your excellent articles referring to the negative impact of No Child Left Behind. The comments by Diane Ravitch, who changed her mind about "school choice," resonates especially with me. She calls Congress's stubborn support of this law "puzzling." It is not puzzling at all if you consider the education budget, hovering around $800 billion and rising. NCLB has been used to create new and innovative ways for the business community to latch on to education dollars through charter schools, test publishing and prepping materials—even through the fallout of a poor education, the exploding prison population. There is gold in educational entrepreneurship, and the Obama administration has done nothing to curb this trend.
Gloria C. Endres

Morristown, N.J.
Bravo! for your critique and analysis. Yes, the Obama administration is pursuing yet another futile and simplistic path of "reform" with its emphasis on charters, teacher demonization and more testing.

Boo! to the hopes for top-to-bottom "bold" reforms that mirror those of mini-states like Finland and Singapore. Why? Because, once again, the roots of the problem have been ignored. We have known for decades which children will be ill served by public schools: they are poor, they go to school with other poor children and they live in a family where English is not the first language. The gap at kindergarten with children of the middle class is nine to eighteen months, and they are only 5! They lack the vocabulary, language, general knowledge and familiarity with books they need to have a fighting chance of leaving kindergarten with the knowledge required to be strong readers by third grade.

To narrow this kindergarten gap, every poor child must be provided high-quality preschool, followed by an intense focus on literacy in K-3. Look to the schools that produce literate third graders, and you will find schools that emphasize the needs of poor kids. Readers have a chance. Nonreaders don't.
Gordon MacInnes, *fellow*
The Century Foundation

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(continued on page 24)

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Eyes on the Prize

In what is becoming a disturbing summer ritual, every August the right wing drops a sputtering bomb of chaos and confusion on the American public; in response, the left freaks out. Last year it was the hysteria over "death panels," sparked by Sarah Palin. This year it's the one-two punch of the "Ground Zero Mosque" controversy and Glenn Beck's "Restoring Honor" rally at the Lincoln Memorial, forty-seven years to the day after Martin Luther King Jr.'s "I Have a Dream" speech at the same location. To be sure, there's plenty to get worked up about: these incidents are an affront to truth, history and decency. It's important to debunk the right's myths and to defend those under scurrilous attack: Imam Rauf is not a radical Islamic terrorist; neither, for that matter, is Barack Obama.

EDITORIAL

But let's get a grip. The president, as he recently reminded us, is not going to walk around with his birth certificate pasted to his forehead—not that it would assuage the 52 percent of Republicans who believe he wants to impose Sharia law on America. And the left isn't always going to be able to out-tweet Palin or win every twenty-four-hour news cycle—nor should that be our goal. Our politics are not just about what we are against, or want to "take back" or "restore"; they are about what we want to achieve.

So let's look to other, more august speeches as a reminder of that broader vision. In his famous address at the March on Washington for Jobs and Freedom, King deplored not just discrimination but the "poverty in the midst of a vast ocean of material prosperity" that racism creates. Later, in his last speech as president of the SCLC, King called for a guaranteed annual income, because "no matter how dynamically the economy develops and expands, it does not eliminate all poverty." That same year, King broke his silence on the Vietnam War, calling not just for an end to that occupation but to all war because "war is no longer, if it ever was, a valid way to solve international problems."

These are radical utopian goals—and they are worth rekindling. Part of what so rankles the left about the Tea Party is its vigor and ambition. But why should the left not dream as large and as loud? Yes, the opposition is fired up—motivated by racial, religious and economic anxiety. Yes, it's well funded by billionaires like the Koch brothers, Rupert Murdoch and Paul Singer. Yes, the political system is crippled by cynical obstructionism. But these obstacles also create openings. If the Republicans intend to filibuster even the most meager jobs bill, then let's put forward a $1 trillion stimulus to move the economy not just toward recovery but reconstruction, allying with those in Congress who would do the same. If the right wing continues to smear Muslims, let's not limply defend the freedom of religion, let's celebrate multicultural America in all its vibrant, polyglot cacophony. Let's embrace the new American majority we saw emerging in the 2008 election. And let's storm Washington with our own rallies, like the October 2 March on Washington organized by labor, the NAACP and student groups.

The ugly backlash will still come. And it may take more than a generation to realize these dreams. But that is not cause for despair, for the genius of King's rhetoric was in marrying the "fierce urgency of now" to an enduring vision, to "the long and bitter, but beautiful, struggle for a new world." These are words to savor: it is not the end that is exquisite, but the dream, the hope, the struggle. The struggle itself is beautiful.

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COVER DESIGN BY GENE CASE & STEPHEN KLING/ AVENGING ANGELS, BASED ON A MAO-ERA CHINESE PROPAGANDA POSTER (*right*), ARTIST UNKNOWN

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Our Iraq Debacle

EDITORIAL

In his August 31 Oval Office speech, Barack Obama marked the withdrawal of most US combat forces from Iraq, justly noting the fulfillment of a key pledge of his campaign for the presidency. In sober, understated rhetorical style, the president wisely avoided repeating anything like George W. Bush's infamous "mission accomplished" braggadocio. And in keeping with the traditions of presidential politics, Obama downplayed his disagreements with the previous occupant of the Oval Office. But in so doing, the president all but ignored the catastrophic devastation wrought by Bush's unprovoked war of aggression. And by celebrating his own "surge" of US forces in Afghanistan, Obama undermined his acknowledgment, in the same speech, that the country's "most urgent task" is to restore an economy crippled by the worst economic downturn in seventy years.

The fact is that the 2003 US invasion of Iraq, built on false claims about the threat of weapons of mass destruction, was one of the worst foreign policy disasters in decades. At least 100,000 Iraqis have died, and many thousands more may perish if, as seems likely, Iraq's bitterly divided body politic settles its differences with guns and bombs over the next five or ten years. Millions of Iraqi children have been severely traumatized. By invading Iraq, the United States alienated its friends, weakened its alliances, emboldened its adversaries, blackened its reputation, squandered a trillion dollars, suffered tens of thousands of dead and wounded, utterly failed to spread democracy and freedom in the region, indirectly aided the cause of extremist Islam, vastly strengthened Iran's strategic position in the Middle East and the Persian Gulf, and devastated a nation by shattering its economy, its state institutions and its social fabric so badly that it will take at least two generations to repair.

Americans need to remember the disastrous consequences of this debacle. But Obama, saying it is time to put disagreements over Iraq behind us, blithely declared, "Through this remarkable chapter in the history of the United States and Iraq, we have met our responsibility. Now, it is time to turn the page."

Almost as distressing was Obama's halfhearted reference to Bush's vaunted surge. By now, in much of the mainstream media it's become part of the catechism that the surge "worked," that the addition of 30,000 combat forces in 2007 resulted in a great success. But the surge prolonged the war by three more bloody, combat-filled years. Nor did the surge calm the crisis. The decline in violence, to the extent that there was one, came for two intertwined reasons: first, because Sunni tribal leaders banded together to fight Al Qaeda and other extremists; second, because Iran made a strategic decision to rein in its Shiite militia allies. But none of the issues that brought about civil war in Iraq have been resolved. The divisions are so deep, in fact, that political leaders have not been able to form a government six months after elections. The centrifugal tendencies of Iraqi politics may pull the country apart again, hurtling it back into civil war as US forces continue to draw down. That will create great pressure on Obama to slow or reverse the withdrawal.

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Noted.

FOR ERIC SCHNEIDERMAN: "Transformational politics is the work we do today to ensure that the deal we can get on gun control or immigration reform in a year—or five years, or twenty years—will be better than the deal we can get today. Transformational politics requires us to challenge the way people think about issues, opening their minds to better possibilities." **Eric Schneiderman**, then a New York state senator, wrote these words in a 2008 *Nation* article, "Transforming the Liberal Checklist." He's now running for attorney general of New York.

Over the years, Schneiderman's commitment to transformational politics and progressive values has been tested, and he has proved that he is a steadfast champion of causes because they are right, not because they are popular or politically expedient. His advocacy for a smart and fair administration of justice is closely attuned to the times and the pressing need for serious judicial reform. He was the prime sponsor and a key leader in passing historic legislation that overhauled New York's draconian Rockefeller-era drug laws, repealing harsh mandatory minimum sentences, which disproportionately affect African-Americans and Latinos. Schneiderman is also dedicated to protecting voting rights, having introduced legislation to end prison-based gerrymandering. And he offers a long history of fighting for a cleaner, more transparent state government. In fact, he wrote and sponsored the most sweeping ethics reform legislation to pass the New York Legislature in a generation.

Schneiderman has shown character, integrity and the ability to take on major national issues and put his own stamp on them. His independence, gutsiness and unwavering commitment to ensuring equal justice for all New Yorkers will serve the Office of the Attorney General well.

KATRINA VANDEN HEUVEL

GOP'S VULTURE CAPITALIST: The *New York Times* recently profiled conservative hedge fund tycoon **Paul Singer**, who has generously bankrolled the GOP and is known as a Republican **George Soros**. The article spotlighted the $500,000 Singer contributed in April to the **Republican Governors Association** and his push to thwart Wall Street regulation. Left unmentioned was how Singer amassed his fortune, in part by exploiting the debt of impoverished nations [see "Rudy's Bird of Prey," October 29, 2007].

In the 1990s Singer's hedge fund, **Elliott Associates**, pioneered a shadowy, lucrative and often ruthless form of investing whose products earned the not-so-generous moniker "vulture funds." Vulture funds buy old defaulted debts, usually from the poorest countries in the world, and then drag the debtors into court, seeking a settlement far above what the funds originally paid for the debt (which has already been forgiven by rich nations like the United States or the World Bank) in a reverse–Robin Hood scheme.

Elliott's targets have included the government of **Peru** and the tiny West African **Republic of Congo**, where 70 percent of the population live below the poverty line. "Pay us in full or be sued," Singer demands. "They're completely amoral," says **David Skeel**, a professor of corporate law at the University of Pennsylvania. "It's almost a matter of pride to them." It's not surprising that someone like Singer would be a major benefactor of today's GOP.

ARI BERMAN

THE PALIN EFFECT: Perhaps a "thank you" is in order for **Sarah Palin**. After all, the former governor of Alaska engineered the Republican primary defeat of a senator who was all but certain to win in November, replacing her with a potentially vulnerable, not to mention volatile, newcomer. Palin has for years nurtured a political grudge against the first family of Alaska Republicanism—the **Murkowskis**. She defeated father Frank for governor in 2006, and this year she gave high-profile, essential support to Senator **Lisa Murkowski**'s wacky Tea Partisan challenger, attorney **Joe Miller**. Miller prevailed, albeit narrowly. Now Murkowski is furious, and mainstream Republicans are upset that their party's nominee is an off-the-deep-end extremist who wants to privatize Social Security and questions the constitutionality of unemployment benefits. Fresh polling puts the Democratic nominee, Sitka Mayor **Scott McAdams**, just eight points behind the Republican.

If national Democrats are smart, they will recognize that Palin's meddling has provided them with a rare opening. McAdams, a former commercial fisherman with experience serving on school boards and in local government, fits the mold of a Democrat who can win in Alaska—as did former Anchorage Mayor **Mark Begich**, who grabbed the other Senate seat in the 2008 election. McAdams is still facing an uphill race. But with Miller ranting and raving about national Republicans trying to steal the nomination from him, Alaskan politics just got a whole lot more interesting for Democrats, who could use an up-north upset.

JOHN NICHOLS

LAYOFF KINGS: A recently released study from the **Institute for Policy Studies** reveals that CEOs of the fifty firms that laid off the most workers since the onset of the recession received 42 percent more pay in 2009 than CEOs at S&P 500 firms. Part of the institute's annual Executive Excess series, "CEO Pay and the Great Recession" found that in 2009 the fifty CEOs who laid off the most workers received $12 million on average, while their peers at S&P 500 companies averaged $8.5 million.

Among the fifty "layoff leaders" was **William Weldon** of **Johnson & Johnson**, who took home $25.6 million in 2009, a year in which the company cut 9,000 jobs and recalled well over 100 million bottles of over-the-counter medicine. **Kenneth Chenault** of **American Express**, a company that has laid off 4,000 employees since the company received billions in federal bailout funds in 2008, received $16.8 million in 2009, including a $5 million cash bonus. **Mark Hurd** of **Hewlett-Packard** collected a $28 million severance package when he was forced to resign in August amid a sexual harassment investigation. This was on top of a pay package of $24.2 million in 2009, a year in which he cut 6,400 jobs.

While the national unemployment rate has risen to nearly 10 percent, CEO pay in 2009 more than doubled from the average CEO pay for the 1990s, after being adjusted for inflation. **Sarah Anderson**, lead author of the study, lamented, "CEOs are squeezing workers to boost short-term profits and fatten their own paychecks."

KATE MURPHY

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Given the stagnant economy, his low approval ratings and dismal Democratic prospects this fall, Obama probably hoped the speech would improve his and his party's prospects, given the polling that shows most Americans have for some time been sick of the Iraq occupation. But this speech is unlikely to alter the trajectory of the 2010 campaign. One problem is that nothing has really ended. Fifty thousand US troops—and even more US-paid mercenaries—will continue to occupy Iraq. Another is that the US combat mission in Afghanistan—after almost nine years of fruitless effort—is expanding. Indeed, despite Obama's wise recognition that "open-ended wars" are not in the US interest, and his reiteration of the pledge to "begin a transition to Afghan responsibility" next July, Obama gave little confidence that the drawdown there would be speedy.

Obama correctly noted that "our nation's strength and influence abroad must be firmly anchored in our prosperity at home," and that "we have spent over a trillion dollars at war, often financed by borrowing from overseas. This, in turn, has shortchanged investments in our own people and contributed to record deficits." But without an end to wars of occupation and a renewed commitment to a people's recovery at home, this country will remain mortgaged to the terrible physical and economic costs of Iraq—and Afghanistan.

BRIAN STAUFFER

UAW Hits the Streets

Almost a half-century ago, hoping to prod a young president who meant well but kept missing the mark when it came to implementing bold economic and civil rights initiatives, United Auto Workers president Walter Reuther aligned the most muscular labor organization in the land behind an audacious call by veteran trade unionist A. Philip Randolph and young civil rights leader Martin Luther King Jr. for a "March on Washington for Jobs and Freedom." Reuther's personal commitment provided resources, a national network of supporters and help opening doors at the Capitol and the White House. While much of Big Labor resisted the sit-ins, marches and mass protests that would define the 1960s as a period when politics was not just in the voting booths but in the streets, the UAW was in touch with the civil rights and antiwar movements of the moment.

COMMENT

Reuther is long gone and the UAW, battered by decades of free trade policies and flawed federal economic agendas, is down to 390,000 members, barely a quarter of its peak size in the 1970s. And while pretenders like Glenn Beck pervert the memory of that 1963 March on Washington and the campaigns that followed it, genuine heirs to the activist movements with which the union allied struggle to move economic, social and foreign policy debates in a progressive direction.

Enter Bob King. The new UAW president has dusted off the still-substantial union and renewed its activist tradition by building coalitions—in late August, the UAW joined the Blue-Green Alliance of labor unions and major environmental organizations in pursuit of good jobs, a clean environment and a green economy—and supporting mass-movement projects like the August 28 Jobs, Justice and Peace march in Detroit. King's election in June signaled a Reuther turn for the union, with the new president declaring, "Our mission is social justice.... We have the resources that we have to share, to fight for, to be part of a much broader struggle [of] workers inside our facilities and outside, inside the UAW and outside. The only way we can have social justice for our membership is to fight for social justice for everybody in society."

That's not just rhetoric for King, who comes out of historically militant UAW Local 600 in the Detroit area, where he practiced international solidarity in

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the 1980s by organizing opposition to Reagan administration policies in Latin America—King still attends annual protests to close the former School of the Americas in Fort Benning, Georgia—and South Africa's apartheid regime. (I met King in the early 1990s, when a recently released Nelson Mandela toured a Local 600 plant to thank UAW members for their support of the freedom struggle.)

King has an ambitious agenda for the UAW; it includes organizing US manufacturing plants operated by foreign firms such as Toyota and restoring pay and benefits lost when the UAW agreed to cuts as GM and Chrysler were sputtering. The union leader took hits for negotiating givebacks and a loosening of work rules at Ford, and he is still criticized for talking about "partnerships" with the Big Three. But King answers that the challenge of saving basic industries requires building broad coalitions for workplace fairness and fair trade policies designed "so that corporations [cannot] use low wages, poor working conditions and repression of unions to their competitive advantage."

King is taking the UAW back to the streets. Days after his election, he and the Rev. Jesse Jackson announced a campaign to: "1. Rebuild America by enacting industrial and trade policies that will create jobs, encourage manufacturing in America and put workers first. 2. Enforce the law regarding workers' rights, civil rights, industrial regulation, and creation of fair and just educational, economic, and health policies. 3. End the ongoing wars in the Middle East and redirect the war budget to rebuilding America."

The campaign, which has attracted support from labor, civil rights, religious and political leaders, debuted with the August 28 commemoration in Detroit of the 1963 Walk to Freedom, where a crowd of 125,000 heard Dr. King's first recitation of his "I Have a Dream" speech. It was a perfect counterpoint to Beck's attempt, the same day, to claim a piece of the civil rights legacy; and Jackson, who this summer marked the fiftieth anniversary of his first sit-down protest, has thrown himself into the project. Frustrated, like many progressives, with the failure of a Democratic administration and Congress to move as aggressively as needed, the Rainbow/PUSH Coalition leader has been looking for ways to combine electoral and street-protest politics as a populist counter to the Tea Party movement, arguing that "Marching is not incidental to progress. Marching matters. Marching inspires."

Jackson and Bob King plan to keep marching and rallying. Jackson will headline the Fighting Bob Fest, on September 11, the annual gathering in Wisconsin named for former Senator Robert La Follette, which draws as many as 10,000 activists. It's part of a busy schedule of building momentum for the October 2 March on Washington, which has rallied the UAW and other major unions, as well as civil rights groups like the NAACP and the National Council of La Raza, behind a call to "demand the change you voted for." Echoing Jackson—and Walter Reuther—King says, "If you don't keep marching, you start losing. We will march until we win." JOHN NICHOLS

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For his cover story "China in the Driver's Seat," Robert Dreyfuss spoke to dozens of progressive academics, journalists and policy-makers about the rise of the new economic superpower. At TheNation.com, read excerpts from interviews with **Andy Stern**, **James Galbraith**, **Carolyn Bartholomew**, **Robert Kuttner** and more.

View our slide show **Reconstructing the Story of the Storm** on New Orleans five years after Katrina. Plus, watch video from *Frontline*'s special investigation into the post-Katrina police shootings.

Is the Democratic Party's failure to promote female candidates really at fault for Sarah Palin's ascension? In fact, the first and most ferocious Mama Grizzly rose up in response to a desire for *right-wing* female leadership, writes Betsy Reed in **Who's to Blame for Sarah Palin?**

A coalition of working families, politicians and unions are demanding that big banks increase permanent mortgage modifications to stop New York's full-blown foreclosure crisis, writes Katrina vanden Heuvel in **New York Communities Take on Foreclosures**.

In **Feds Have Been Hiding Their Evidence From Wiretap Courts in Their War on Drugs**, Tom Hayden reports that court records filed in the Alex Sanchez case show that while applying for surveillance permits, federal prosecutors have concealed their use of notorious gang leaders as informants.

Calvin Trillin, Deadline Poet

On Revelations of Where The Secret Funding for the Tea Party Comes From

They're meant to be a grassroots gang
Of populists who quickly sprang
From nowhere 'cause they've had enough
Of liberal bureaucratic guff.
Less government is what they're for—
The very goal pushed heretofore
By every oilman who's a foe
Of regs that slow up making dough.
And guess who's funding them—no joke.
Two wealthy oilmen name of Koch,
With faux foundations in cahoots,
Provide the funds. Some grass. Some roots.

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Ten Things.

Ten Things the Past Can Teach Us Today

As the great New Left activist, journalist and longtime *Nation* editor Andrew Kopkind wrote in these pages, "People will always have a need to join in collective efforts to secure a better life for the many against the greedy predations of the few.... There is always another chance to bring a better system to birth, which is what history means, after all." In honor of this premier left chronicler, the Kopkind Colony was established in 1999, a few years after his death, by friends and family as a summer project to encourage the work of independent journalists, filmmakers and grassroots activists. Those at this year's gathering suggest ten things you can do to use the lessons of the past to build a progressive future.

1 Know the enemy. War and economic exploitation are not particular to the personality of Bush, Cheney or Rumsfeld, and changing the characters has not changed the plot. Read, or reread, Marx for what is still the most thoroughgoing critique of capitalism; read Tony Judt's *Ill Fares the Land* for a social democratic vision of "the possibility and virtue of collective action for the collective good."

2 Contesting how we learn from the past, countering the dominant belief system, and educating ourselves and others are some of the most important political acts. Start a newsletter, online or off; a political club; a low-watt radio show (go to prometheusradio.org to learn how; use promediacomm.com as a resource). Get involved in the black, ethnic, youth or labor press. Go to voxunion.com.

3 An advance for one group often leads to advances for others. The civil rights struggle inspired movements of marginalized people everywhere. The right's recent assault on the Fourteenth Amendment should remind us that immigrants' rights are everyone's rights. Check out the National Network for Immigrant and Refugee Rights (nnirr.org).

4 Don't take the politics out of culture wars. When Pat Buchanan declared a "culture war" at the 1992 GOP convention, he was organizing politically. The broad left's mistake was to think this was simply an attack on identity and was thus the responsibility of "identity politics." For an example of the creative merging of identity politics with broader struggles, check out queersagainstapartheid.org.

5 Don't take the culture out of politics. When Families and Friends of Louisiana's Incarcerated Children wanted to close down a juvenile detention center, they held a New Orleans–style mock jazz funeral procession (fflic.org). And the Patois Film Festival (patoisfilmfest.org) works year-round with activists on the issues exposed in the films.

6 Be alert to changing conditions. Historically, the organization of workers has followed the organization of capital. Recent decades have seen the rise of the temporary workforce, the private contractor and so on. Go to freelancersunion.org/advocacy/index.html and support worker centers like arisechicago.org/worker-center.

7 Feed the people—and that doesn't just mean food. The best workers' co-ops link jobs, skills and politics. The Esperanza Peace and Justice Center in San Antonio (esperanzacenter.org) is a multi-issue organization that engages the community by hosting exhibitions of local artists. Create cultural spaces with as many activities, from the political to the spiritual, as possible.

8 Link struggles to bind communities worldwide. Workers were crucial in the antiapartheid struggle, refusing to load and unload South African ships, just as some now refuse to load and unload Israeli ships in solidarity with occupied Palestine. Residents of both Palestine and New Orleans have seen their homes bulldozed. Go to takebacktheland.org, louisianajusticeinstitute.blogspot.com and the Israeli Committee Against House Demolitions (icahd.org) to see how the two communities are resisting oppression.

9 Live as if you were free. It's said that the turning point for people under tyranny comes when they lose their fear. Go to aclu.org/free-speech/right-protest. Read Walter Mosley's *Workin' on the Chain Gang*.

10 "Struggle is multi-form, but struggle is all the time." Groups rooted in hip-hop culture and committed to social justice, like the Malcolm X Grassroots Movement (mxgm.org), trggradio.wordpress.com and brotherhood-sistersol.org combine culture, history and politics. Read bell hooks's *Teaching Community: A Pedagogy of Hope*. Fight the power and dance to the music.

CONCEIVED BY WALTER MOSLEY with research by Rae Gomes

"Ten Things" is a monthly feature. Readers who wish to propose ideas for it should e-mail NationTenThings@gmail.com.

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Katha Pollitt

It's Better Over There

My first day back in New York after a year in Berlin, I got on the subway and found my end of the car dominated by an obscenity-shouting black man with a crutch and a suitcase spilling garbage. When he tried to leave the train at Penn Station, he fell and cursed so loudly at two young men who tried to help him up that they backed off. Not once in my time in Berlin did I see anything remotely like this scene. Berlin is a poor city by German standards, with homeless people and beggars and presumably mentally ill people as well. But it doesn't have the kind of destitution we take for granted in the United States, especially for African-Americans. The strong German safety net keeps people from plunging into the abyss.

Were You Born on the Wrong Continent?, Tom Geoghegan's clever and immensely appealing book contrasting Western European social democracies with laissez-faire America, is primarily concerned with the middle class, not the poor. Still, one of the many delusions of middle-class Americans is that ameliorating poverty would be, if not impossible (see Big Government, wastefulness of), a big, expensive, unfair burden that would reward the lazy and the criminal while producing no benefit to upright citizens. As Geoghegan shows, that's not true. Poverty is expensive. It costs middle-class Americans a lot to avoid the poor: in police, in prisons, in home-security systems, in ever more distant suburbs that must then be commuted from, in private schools, in anxiety and fear and hardening of the heart.

Geoghegan argues that, contrary to US popular opinion, life is better for almost everyone in a social democratic system like those in Western Europe, especially Germany. Thanks to strong unions, people work less—Germans get six weeks of vacation and twenty-seven (!) paid holidays, while Americans are lucky to get two weeks off. Germans have job security, retirement pensions, free or nearly free education including college, and healthcare including nursing care. (In fact, their system, in which individuals are legally required to buy insurance, with subsidies for low earners, resembles the much-reviled Obamacare. My German friends found opposition to Obama's plan utterly bewildering.) You might think, as Geoghegan points out, that this cornucopia of rights and benefits is unsustainable—the American media delight in predicting the end of Old Europe—but in fact, the German economy is doing better than our own. Cutbacks in European government spending get a lot of attention over here but, as Geoghegan shrewdly notes, are often compensated for by increased spending on something else. In 2004 Gerhard Schroeder's Social Democrats pushed through the widely despised Hartz IV reform limiting generous long-term unemployment benefits. The end of the welfare state? Not exactly. During the downturn, the government prevented mass unemployment by providing partial compensation for lost wages and encouraging companies to shorten hours rather than lay off workers. Compare that with the American way, which is to fire lots of people and make the remaining staff work even harder.

Geoghegan makes Old Europe sound completely delightful. Trains! Clean streets! Nice restaurants and lots of free time to spend in them! It's not all beer and bratwurst, though. German children are tracked at age 10 and, as here, the results follow class and income. One recent study showed that teachers graded papers supposedly written by "Cindy" and "Kevin"—TV-derived names favored by lower-class people from the former East Germany—lower than the same papers ascribed to kids with traditional names. Once Cindy and Kevin have missed out on the top track, that's pretty much it for their college chances—and although being, say, a baker or a cashier is more pleasant there than here, it's striking how the class system thrives within social democracy. Another feature Geoghegan overlooks is that, in some ways, the slower-paced, more leisured life he admires rests on the semi-exclusion of mothers from the workforce. Mutti is the one doing the shopping and running the errands throughout the week because the stores—all the stores—are closed on Sundays. And Mutti stays home because the school day ends at lunchtime. (Geoghegan is wrong, by the way, to assert that Germans have free daycare. In fact, one of the effects of reunification was to shut down East Germany's excellent childcare system. Only now, because of the extremely low birthrate, are the Germans talking about setting up public childcare, which so far exists primarily in Berlin.)

Still, it is hard to understand why Americans fight so hard against the nanny state, which provides so many good things. My friend David Abraham, a historian and legal scholar, gave a fascinating talk at the American Academy in Berlin in which he suggested that the European welfare state is linked to ethnic homogeneity: people are more willing to share with those who seem like themselves. Could it be that the social solidarity on which Germany's welfare state rests is not entirely unconnected from its terrible past, in which the Nazis promised to create a wonderful country just "for Germans"? Muslim immigration will be the moral test, and not just for Germany but for the rest of Europe as well.

Abraham wondered if the weak US safety net is a byproduct of our openness to immigration: you can come here, the message is (or was until recently), but you're on your own. My theory is more primitive: a critical mass of white Americans would rather *not* have something than see black and Latino Americans get it too. No matter how often progressives point out that most welfare mothers, and most poor people, are white, Big Government means the hard-working white taxpayer heaping largesse on shiftless people of color. The Tea Party movement suggests that trope is alive and well. In the twenty-first century, the problem is—still—the color line. ■

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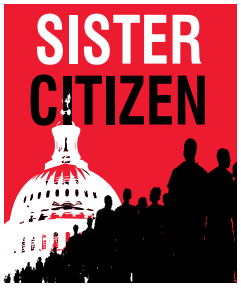
Melissa Harris-Lacewell

What Are Words Worth?

Many Americans were enraged by Glenn Beck's "Restoring Honor" rally in Washington, presumably because Beck trespassed on a sacred day and on holy ground by scheduling his event to coincide with the anniversary and location of Martin Luther King Jr.'s "I Have a Dream" speech. Media framed the anti-Beck dissent as a racial and political turf war. Beck stood before a vastly white, sharply conservative crowd and waxed nostalgic about America's past—a past he called honorable and righteous but that was, in reality, marked by the legal subjugation of black people. This seems an obvious denigration of civil rights history, but I suspect that the real source of liberal anxiety was different. Many Americans harbor an almost primitive fear of the power of rhetoric in American racial politics. In our collective imagination, public discourse on race is endowed with near magical powers.

King's famous speech had fewer than 1,600 words. Even with the dramatic pauses and roaring Southern Baptist oratory, it took King just over fifteen minutes to deliver it. Less than a year later Congress passed the 1964 Civil Rights Act. King was long-winded compared with Abraham Lincoln, who took about two minutes and spoke fewer than 300 words at Gettysburg. The Union won the Civil War within eighteen months, ending slavery in the United States. In just over 1,000 words Barack Obama conceded the New Hampshire primary to Hillary Clinton, reminding followers that Americans have the unique capacity to face defeat with the simple motto "Yes, we can." Ten months later he was elected president.



The proximity between these powerful speeches and these landmark events has led to the surprisingly simplistic view that oratory alone can transform the American racial landscape. If Lincoln can bring slavery to an end with 300 words and Obama can become the first black president with three, then what kind of world-altering racial havoc might Beck wreak with a speech that went on for more than an hour?

Like many, I prefer to live in a world that is tolerant in its attitudes and moderate in its discourse. As a writer and speechmaker, I believe in the power of words and ideas. But I worry that we have developed a laser focus on speech as the conduit of both racial liberation and racial oppression. In reality these moments, extraordinary or infuriating as they may be, are not the engines that drive racial change. The power or impotence of these words derives from the social forces and political structures that undergird them. Lincoln did not win the war with the Gettysburg Address; the Union soldiers who fought on that Pennsylvania battlefield won it. The N-word is not a litmus test for our country's racism; the stunning gaps in health, education, wealth and criminal justice are far better measures. A man is not the leader of a social movement just because many thousands heed his call, arrive at the Washington Mall and listen to a rambling, self-righteous, utterly forgettable speech. Just ask Minister Farrakhan.

Yes, King's words continue to inspire a nation. But the Civil Rights Act did not spill forth from the mouth of King; it was the culmination of decades of community struggles, Congressional lobbying and judicial strategy. No speech, no matter how awe-inspiring, could have led a Southern Democrat in 1964, six weeks before his party's nominating convention, in the summer of a presidential election year, to sign the most important piece of civil rights legislation since Reconstruction. That unthinkable political act was made possible by a confluence of factors, including important shifts occurring within the Democratic Party. For example, in the 1958 midterm elections eleven racially liberal Republican senators were replaced by eleven racially liberal Democrats. The election did not alter total Congressional support for civil rights legislation, but it did shift the balance of power on race issues between the parties. For the first time, the party of Lincoln did not have exclusive claim on racial liberalism, and for the first time the Democratic Party's powerful Southern segregationist base was balanced against a progressive Northern force. This shift was just enough, when combined with the visible struggle of disciplined, nonviolent Southern resisters, to give Johnson the courage to act on civil rights.

Beck is much less frightening if we step away from the speeches and look at the history. Recall the awful rhetorical backlash that confronted Johnson in 1964. Barry Goldwater vehemently opposed Johnson in a race-baiting campaign that also included Goldwater's support for use of nuclear weapons in Vietnam, deep cuts in social programs, strict limits on Social Security and privatization of key government functions. Like Beck today, Goldwater framed the government as the enemy of the people. Like Beck, Goldwater had the full-throated support of a significant group of white Americans who shuddered as they faced the changing social, political and racial landscape. Like Beck, Goldwater appealed to base impulses in American public discourse. Like Beck, Goldwater frightened liberals to their core. Now take a deep breath and recall that Johnson won the 1964 election. Less than a year later he signed the 1965 Voting Rights Act, ushering in a new era of full citizenship for black Americans.

It was difficult, and somewhat comical, to watch Glenn Beck stand in the physical shadow of Lincoln and the historical shadow of King and beckon America to turn back. Difficult, but not scary. The political, economic and demographic shifts that ushered in the Democratic Congress in 2006 are not unlike those of 1958. The Obama administration's difficult, halting, imperfect and often unpopular choices are reminiscent of Johnson. The swift backlash of the right is familiar. An inspiring (and brief) speech might soothe our collective stress, but ultimately the work of the midterm elections will occur in field offices, local newspapers, candidate efforts and community organizing. Do not be afraid of the talking; it is time to work. ■

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CHINA IN THE DRIVER'S SEAT

PROGRESSIVES DEBATE A NEW WORLD ORDER

ROBERT DREYFUSS

Sitting at a sidewalk coffee shop a block from the White House, Andy Stern, former president of the Service Employees International Union, is reflecting on a series of visits he's made since 2002 to China, where he has discussed organizing and collective bargaining with leaders of the All-China Federation of Trade Unions (ACFTU). China's economic transformation is a profound challenge to the United States, and to American workers in particular, Stern says. "We have to recognize that China is the first real economic competitor that has ever threatened America's standing as the global economic superpower."

Few would argue that the rise of China has world-altering significance. But across the American left there are sharp, sometimes acrimonious differences about what constitutes appropriate and principled responses to China's emergence as a great power, and whether the country's ascendance is promising or ominous. Even Stern's visits to China over the past decade have drawn withering fire from other labor leaders, along with human rights and globalization activists, who vilify the ACFTU as an instrument of antiworker repression by China's ruling Communist Party. "Andy Stern seems to think he can find progressive elements within the ACFTU. And the SEIU is OK with that?" asks Sophie Richardson, advocacy director of Human Rights Watch's Asia division. Jeffrey Fiedler, a longtime activist on China, an official at the International Union of Operating Engineers and a member of the Congressionally mandated US-China Economic and Security Review Commission (ESRC), is scathing. "Andy Stern threw away all principle and started dealing with the ACFTU. The head of the ACFTU is on the fucking Politburo!" he exclaims. "He's a thug."

Many in the labor movement, of course, are riled by their belief that export factories in China, often managed by US and other multinational corporations, are stealing American manufacturing jobs. They view China as the biggest player in a worldwide rush by US and other corporations to take advantage of cheap labor and lax regulatory regimes in much of the developing world, whose producers stock the shelves of American shopping malls with imported goods. "The global imbalances generally—with Germany, Japan, China, Korea and others focused on an export model and relentlessly wedded to it without concern for moving to a more balanced marketplace—have a direct destabilizing effect on the global economy, and on this economy in particular, and can't be sustained," says Robert Borosage, co-director of the Campaign for America's Future. "And so the United States has to move into a series of much more fraught confrontations and challenges, not just with the Chinese."

The implications of China's rapid ascent go far beyond those concerns. It is fast becoming an economic giant, moving from low-end assembly lines and garment sweatshops to high-end products and innovative approaches to green technology, including wind turbines, solar panels and electric cars. Despite the uncontrolled, almost Wild West nature of capitalism in China, for many developing countries its muscular combination of top-down political control and state-guided industrial growth represents a palpable challenge to the dominant post–World War II paradigm of American-style development, and it is an

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attractive one in many quarters. "I am concerned that there are other places in the world where China's form of authoritarian capitalism is taking hold," says Carolyn Bartholomew, vice chair of the ESRC and a former aide to Representative Nancy Pelosi. "Look at how China is engaging in Africa."

"It's almost as if the continental plates of global politics are shifting beneath our feet," says Orville Schell, director of the Asia Society's Center on U.S.-China Relations. "We suddenly have this other model of authoritarian capitalism that is proving to be remarkably successful, and it is even posing a challenge, not just economically but politically, to our belief that our system of democratic governance is the one that's best able to deliver a good life."

Along with China's growing economic power comes an inevitable corollary: China's eventual emergence as a political and military power wielding its influence from East Asia to the Pacific, the Indian Ocean, the Middle East, Africa and beyond.

Among progressives, there's certainly no consensus over how to respond to the rise of China. "This drives a wedge right through the progressive community," says John Feffer, co-director of Foreign Policy in Focus at the left-leaning Institute for Policy Studies (IPS). Well aware that US policy toward China is driven by the multinational corporations and banks that invest there and by the military-industrial complex, which sees China as a rival and potential adversary, progressives know they have only limited power to affect national policy. Still, they debate choices: confront China or accommodate its rise? Slam China with tariffs and sanctions or invite its sprawling, state-owned enterprises to buy up US companies and build factories in the United States? Engage the ACFTU and other Chinese institutions or avoid them? And what about human rights, including worker rights, religious freedom and minority rights for Tibetans and Muslim Uighurs in western China? Will labor shortages, which have helped spark a wave of strikes and protests, lead China to give greater freedom to workers to organize, to secure higher wages and a better standard of living?

'We suddenly have this other model of authoritarian capitalism that is proving to be remarkably successful.' —Orville Schell

To answer at least some of those questions, I interviewed several dozen progressive policy analysts, economists, environmentalists, labor and human rights activists and officials, and academic specialists on China. Nearly all of them agree on one thing—namely, that to compete with China the United States must adopt a clear-cut set of industrial policies, investing in infrastructure, job creation, education and training, high-tech manufacturing, and research and development, especially in green technology.

"The first priority is to get our own house in order, so we're not filled with so much anxiety that is easily transferred onto the rise of another country," says Schell. But even on this point there is disagreement, because many activists on the left argue that it's difficult to promote a US industrial policy—taxing the rich, subsidizing favored industries, spending a lot more on infrastructure and training—without simultaneously taking on the dominant ideology of neoliberal globalization and free trade, and that includes the China problem. "It's almost impossible to have a domestic industrial policy without addressing the trading regime," says Robert Kuttner, co-founder of *The American Prospect*.

For many in the US labor movement, there's little doubt that China is a grave menace, at the very least, to American jobs and prosperity. At the AFL-CIO, the Economic Policy Institute (EPI) and the Alliance for American Manufacturing (a project supported by the United Steelworkers), the book on China is this: it's a bullying, mercantilist power, competing unfairly with other countries by artificially keeping the value of its currency low and by suppressing labor rights and trampling on environmental standards, cannibalizing a generation or two of poor migrant workers to churn out cheap products for export. In this narrative, China exploits the willingness of multinationals to set up unregulated factories along its industrial southern coast, meanwhile blackmailing those firms to share trade secrets and technology with China as the price of admittance. It's a sweeping indictment, and the remedy they suggest involves some combination of daunting and punitive tariffs—as much as 25 percent across the board on imports from China, some say—along with sanctions and other measures to force China to revalue the renminbi, its currency, by 40 percent or more.

Advocates in this camp discount fears of a confrontation or a trade war with China, and in fact they insist that the longer the United States waits before taking on China, the harder it will be. "I would say to the Chinese, 'We are not going to allow the free access of Chinese goods, as long as you are pirating technology, requiring American companies to produce in China only for export and not for the Chinese market, extracting technology transfer agreements that are plainly coercive, and manipulating your currency.' Then the fat would be in the fire, and the Chinese would have to decide what they're going to do about it," says Kuttner. "It might lead to some conflict," he says. "If we took a harder line on Chinese mercantilism, it might get kind of ugly in the short term."

Robert Scott, an economist at EPI, published a study in March claiming that between 2001 and 2008 nearly 2.5 million American jobs skedaddled to China, including more than 600,000 in computer and electronics manufacturing alone. Like many in the AFL-CIO's orbit, Scott takes a frankly nationalist stance in defense of measures to rebalance the US-China trade deficit. "The US government has an obligation to US workers to develop policies that are in our *national* interests," he says during an interview in his office. When I point out that over the past three decades China has lifted hundreds of millions of people out of desperate poverty, and that his attitude might sound

Robert Dreyfuss is a Nation *contributing editor.*

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The Greening of China

In 2004, Elizabeth Economy, director for Asia Studies at the Council on Foreign Relations, published a sweeping indictment of China's environmental policy in her book *The River Runs Black: The Environmental Challenge to China's Future*. She described how a centuries-old tradition of trashing the earth, exacerbated by China's helter-skelter economic expansion since the late 1970s, had led to devastation: erosion, flooding, desertification, water and food crises, shrinking forests, and air and water pollution. "China's leaders were well aware that they were trading environmental health for economic growth," she wrote.

Since then, a lot has happened. Soon after her book was published, China surpassed the United States as the world's leading producer of carbon emissions, which has served as a better-late-than-never wake-up call to China's leaders and to activists all over the world, who point out that global warming could swamp China's coastal regions and devastate its food production. Tens of thousands of rural grassroots protests against pollution and environmental collapse erupted in China, threatening political stability. Gradually it dawned on Chinese leaders that the country had no choice but to shift toward a more earth-friendly and sustainable path. In particular, Economy says today, China has taken important steps to address climate change. "It is significant," she says. "It represents a real change in China's climate change policy. When they became the world's biggest emitter in 2007, that was like putting a big red X on their forehead. They had nobody to hide behind at that point."

The core of China's environmental paradox is that the vast country must do two things at once: continue to industrialize while simultaneously sharply limiting carbon emissions. "They have to lift hundreds of millions of people out of poverty and stop polluting at the same time," says David Yarnold, executive director of the Environmental Defense Fund. "These are huge challenges, and the question is, How do they confront both?" As Chinese officials often point out, on a per capita basis China produces less than one-fourth of the carbon produced by the United States. In advance of the Copenhagen climate summit last December, China pledged to make huge voluntary reductions in energy use on a per-unit-of-GDP basis by 2020. Even so, as its economy expands, its per capita emission rate is certain to increase, and its contribution to worldwide emissions will grow. And despite China's increased interest in solar, wind, hydroelectric, nuclear and other carbon-free technologies, its consumption of oil and coal is rising fast.

"The fact remains that coal is the backbone of their energy system," says Mark Hertsgaard, journalist and author of the forthcoming book *Hot: Living Through the Next Fifty Years on Earth*. "They get three-fourths of their electricity from coal."

But representatives of US-based NGOs in China say Beijing is finally starting to take its environmental challenges seriously. Ailun Yang, climate campaign manager for Greenpeace China in Beijing, told *The Nation* that over the past few years the threat of air and water pollution and food-safety issues has finally begun to sink in. "I think the top-level government officials have started to get the idea that if you only develop the economy while neglecting the environment, you will start to see the limits of economic development, because the model is not sustainable," she says. "About five years ago you started to see a wholesale change in rhetoric about the environment from Chinese officials, about how we have to balance economic development with environmental protection." Yet implementation remains a big problem, because China does not yet have an effective nationwide enforcement capability, and some provincial and local officials are loath to sacrifice economic growth to curb pollution, environmental activists say.

Still, Barbara Finamore, director of the China Clean Energy Project for the Natural Resources Defense Council, agrees that things are changing. This is partly a result of strong popular pressure, both from rural protests and from a growing awareness among the urban middle class that things have to change. "I think the desire to ensure social stability is behind a lot of the actions that China is taking," Finamore says.

In recent years China has moved aggressively to research, develop and manufacture a wide range of renewable energy technology, including solar panels and wind turbines; has pushed faster development of electric cars; and is shutting down its most inefficient steel factories and coal-burning power plants. Beijing has also tried, with limited success, to implement a series of laws and a regulatory framework that often meets fierce resistance from provincial and local leaders. "This is a country that is applying the rule of law across the board in a way that it didn't five years ago," says Yarnold. He adds that China's leaders see an enormous opportunity to become the world leader in clean-energy technologies. "The government realizes that green energy technology is the new Industrial Revolution," he says. "They say, We missed the first one, and we're not going to miss this one."

There's an irony in that, of course. Critics of China's export-driven economic growth say that a big part of the country's advantage has come from its historic lack of environmental regulations, which allows it to make products more cheaply. Unless the United States moves quickly to develop a government-backed green-tech jobs program, China may soon make billions of dollars exporting mass-produced solar panels and windmills to the United States. "We need a strong national policy," says Finamore. "China has done that. The United States has not." —R.D.

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chauvinistic to some, he nods. "It does. I view my job as being concerned with the living standards of American workers." And he insists that only a threat to close the US market to Chinese imports will be enough to get Beijing's attention.

It's possible to make the case that China's success in bringing masses of peasants out of poverty—as many as 400 million and counting—is the single most important event in the world in the past quarter-century. To be sure, much of China's growth since the late '70s has come at the expense of the environment and of workers laboring under atrocious conditions. But many advocates of getting tough with China dismiss the vast improvement in living standards there or question whether it has happened at all. They argue that China has achieved its stunning record of growth, averaging close to 10 percent annually since 1979, by cannibalizing its workforce, with little or no material benefit for the average Chinese. "I don't view it as a success story," says Scott Paul, founding executive director of the Alliance for American Manufacturing (AAM), a longtime labor lobbyist and former aide to David Bonior, a former Congressman from Michigan. Paul argues that Chinese workers are often not paid proper wages and that they labor under weak or nonexistent environmental and workplace safety rules. By compelling China to revalue the renminbi, Paul and others argue, the United States can force China to absorb more of what it produces, which will raise Chinese wages, consumption and living standards. "This will allow China to enjoy the fruits of its growth," says EPI's Scott.

Over at the AFL-CIO, Thea Lee also isn't ready to acknowledge that China's growth has been a boon to its population. Lee, the federation's assistant director for public policy, is part Chinese herself, and she's intimately familiar with US policy toward China, which she faults as too accommodating and too driven by the interests of American corporations that operate there. "I don't call it a success for working people," she says. "It's a disgrace. The regulatory system is like the Wild West, and nobody cares. You have long-term environmental damage, you have child labor, you have forced labor, the destruction of workers' health." Like Fiedler, Lee rolls her eyes when she talks about the ACFTU, which has nearly 200 million members. "We don't recognize the ACFTU as a real union," she says. "I consider them to be the government. They're management."

Even as officials and activists within the labor movement and among its allies call for a confrontational stance against what they regard as predatory trade practices by China, at times they fall into what can only be called cold war–style rhetoric. AAM's Paul expressed grave concern about China's efforts to enhance its military power. "The trade surplus is being used by China to build up a military. They want to build a blue-water navy in the Pacific, to develop sophisticated nuclear weapons, satellite-killing weapons. What does that say about peace?" he asks. "Their stated goal is, they want to have a presence in the Pacific Rim and challenge US supremacy in the Pacific. That has enormous implications." And on Fiedler's list of steps to be taken to show China that the United States means business is a slowdown or suspension in US-China military ties and sharp limits on Chinese students studying in America. Fiedler tosses out words like "fascist" in regard to China, adding, "I would continue to sell arms to Taiwan."

Of course, there is another view. Some argue that it's impractical to try to bring jobs back from China, and that in any case the United States must make room for Beijing's rise as a great power. For these analysts, any talk of boosting America's military response to China is alarming.

The liberal bête noire of the labor movement and its allies is James Galbraith, the heterodox economist and professor at the University of Texas, who is sharply critical of those who think that jobs can be coaxed back home via any combination of pressure tactics against China. People like Galbraith are rudely dismissed as "panda huggers" by some, and even their motives are called into question. ("He's an apologist. His wife is Chinese. He's done some consulting for the regime. For God's sake, don't quote me on that," says one left-leaning critic.) Galbraith represents a diametrically opposite point of view from the AFL-CIO/EPI/AAM nexus, and his views are echoed by people like Columbia University's Joseph Stiglitz, MIT's Alice Amsden and others.

> 'I don't call it a success for working people.... You have long-term environmental damage, you have child labor.' —Thea Lee

Galbraith dismisses the claim that China's economic growth has not brought massive material benefits to hundreds of millions over a short time. "It's clear that you have vast populations that are a generation removed from grinding poverty—and with an existence that they understand very well is vastly better." He argues that a great deal of what China manufactures *is* produced for its domestic market, that wages and working conditions are improving (especially for those in the export sector) and that forcing China to upvalue its currency would have no effect whatsoever on US job creation.

A central argument among US labor officials and their allies is that by suppressing the value of its currency, China is also suppressing domestic consumption far too severely. And, they argue, China's sky-high savings rate—more than 40 percent annually, one of the highest in the world, compared with US levels, which have mostly fluctuated in the zero to 5 percent range—is accomplished only by squeezing the living standards of its 1.3 billion people. So, they say, by compelling China to revalue the renminbi and direct its wealth inward, they're only doing what's best for China—and meanwhile helping to create Chinese demand for US goods.

Galbraith ridicules the idea that Americans know better than the Chinese what's good for them. "The notion that China could somehow increase its consumption in ways that would materially benefit American workers is not plausible," he says. "First, consumption in China has been rising rapidly for decades. Second,

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raising it more rapidly means what? Having more cars and fewer roads to drive on? It doesn't make any sense from a development standpoint. Why should they want to slow the pace at which they build infrastructure relative to the purchase of consumer goods? Why would they build fewer power plants and have more appliances in order to have brownouts?"

Some, like Galbraith, who question labor's unblinking anti-China stance don't shy away from accusing many of China's most vehement critics of xenophobia, racism and Yellow Peril–style alarmism, which echoes the fearmongering about Japan's supposed threat to US prosperity and jobs two decades ago. Progressive critics of the AFL-CIO's China policy often make two intertwined points: that China ought to get more credit for its accomplishment in bringing so many people to the threshold of a prosperous urban life, and that it's wrong for the United States to inflict pain on China in order to compensate for its own decades-long history of economic mismanagement. "We're talking about a country that has the continuing potential to pull a huge number of people out of poverty," says IPS's Feffer. "I don't think it can do that by competing 'fairly' according to the rules of international policy." Compared with workers in China, never mind steelworkers in Nigeria or textile workers in Brazil, American workers are vastly better off, he says. "If you look at American workers, they're doing pretty well."

"There is this longstanding Yellow Peril discourse in the United States, and a lot of this stuff fits into it comfortably," says Doug Henwood, editor and publisher of the *Left Business Observer*. "Yeah, they're competitive, but…that history of Yellow Peril–ism makes it seem sinister and virulent. It's a lot easier to blame China than it is to look at what's wrong with the United States. There's a kind of nationalism that is a little too close to xenophobia that fuels this sort of thing, and populists on the left and right can agree on not liking China."

Such a tendency is all the more regrettable in that it fuels saber-rattling arguments from the right. For years the Pentagon has been issuing increasingly dire warnings about China's emergence as a strategic challenge to the United States, and since the end of the cold war neoconservatives and the promilitary right have raised the specter of a Chinese boogeyman to compensate for what Charles Freeman, a Mandarin-speaking former senior US diplomat, likes to call "enemy deprivation syndrome."

Selig Harrison, a former journalist and director of the Asia Program at the Center for International Policy, suggests instead that progressives ought to support an accommodation with China's legitimate national interest in its region. "The idea that we should accept China's interests in East Asia, I would think, should be readily understood by liberals," he says. "The fact that China is going to have a navy with a long reach, that it's going to be a superpower, just as India is, well, America has to adjust."

But America doesn't adjust well. It's hard to imagine a US politician making the case that Washington should pull back from its overextended posture in Asia and the Pacific or cede an expanded presence to China. Only this summer, the Obama administration started laying bricks in a Great Wall of Containment around China by mending ties with a brutal Indonesian special forces unit and taking sides against China in a potentially dangerous dispute over Beijing's claim to a string of islands in the South China Sea. "It would be disastrous for progressives to provide fodder for the military-industrial complex by demonizing China," says Michael Klare, author of *Rising Powers, Shrinking Planet*. "There are very powerful interests in Washington who want to set us on a path of confrontation."

In particular, the issue of Taiwan is a flash point, and if relations between Beijing and Washington spiral downward, a conflagration between the two nuclear powers could erupt over the Chinese island. According to Harrison, an end to US military support to Taiwan ought to be the starting point for improved US-China ties, including on economic issues. "We'll never get China to behave economically on key issues like the currency peg and their position in the future on holding our securities if we continue to fuck them on Taiwan," he says.

> 'It's a lot easier to blame China than it is to look at what's wrong with the United States.'
> —Doug Henwood

Where one stands on China depends, in part, on whether one thinks China can evolve from its authoritarian system to a freer, more democratic one—and if so, how quickly.

The bible for many of those who believe that China isn't about to change is James Mann's 2007 book *The China Fantasy*. Mann, a former *Los Angeles Times* reporter now at the Johns Hopkins School for Advanced International Studies, argues that China is unlikely to disintegrate or democratize. Instead, he says, it's most likely that decades from now China will be both superrich and undemocratic, and he says those who believe in the possibility of democratization are "hopelessly gullible." China, he says, "is still a Leninist regime, run by a Communist Party governed, in hierarchical ascending circles, by a Central Committee, a Politburo, and a Standing Committee of the Politburo."

It's beyond the scope of this article to examine the various paths that China's political system might follow in the coming decades. But if change does come about, the working class will be a driving force, and lately there are signs that Chinese workers are starting to flex their muscle. Over the past several years, they have staged an escalating series of job actions, strikes and protests, culminating in headline-grabbing shutdowns at Honda assembly plants in May. And despite those who see China in black-and-white terms—an oppressed working class beaten down by a monolithic regime and its captive ACFTU union—recent labor actions present a far more nuanced picture. At the very least, the recent wave of strikes is a sign that all the players—workers, provincial and local governments, the ACFTU, the regime in Beijing—are engaged in a complex dance. Perhaps most surprising, in many parts of China, workers, the central government and enlightened provincial authorities are united in

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an effort to raise wages and improve working conditions.

"More than twenty provinces have introduced increases in the minimum wage of around 20 percent," says Geoffrey Crothall, the spokesman for China Labour Bulletin (CLB), a prolabor activist group based in Hong Kong. "When strikes have broken out, many local governments have interceded and tried to get management and workers to negotiate." Crothall says there is no doubt the central government wants wages to rise, to contribute to social stability. And there are other factors that are pushing wages upward: among them, China's need for a higher-quality workforce as it moves into high-end manufacturing, along with early signs of a labor shortage resulting from slow population growth, the one-child policy and the fact that so many millions have already left the countryside for factory jobs. The ACFTU, which has long seen itself as a defender of the party and as a "trade union with Chinese characteristics," is now being pressured to change from below by striking workers and from above by the government in Beijing.

'It would be disastrous for progressives to provide fodder for the military-industrial complex by demonizing China.' —Michael Klare

Crothall, whose organization was founded by Han Dongfang, who set up China's first independent union during the Tiananmen Square protests in 1989, points to the ferment in Guangdong province, site of many of China's most important manufacturing facilities. "The ACFTU is evolving. It's not a monolith," says Crothall. "It is a government institution. But in Guangdong, the federation is quite progressive and pragmatic-sounding." And in Guangdong, according to CLB, the provincial government is experimenting with new regulations that would allow Chinese workers to engage in collective bargaining.

That's why Andy Stern's efforts in China, despite the criticism, seem so valuable. "I get in trouble on *Glenn Beck* saying, 'Workers of the world unite!' It's not just a slogan," Stern says. It's critical, he adds, for US and Chinese workers to see each other as allies, and he argues that efforts such as his can help shift the ACFTU in a direction that will make it much more representative of its hundreds of millions of members. "There's a big evolution going on," says Stern. "And to me, the question is, Where does the union end up, not where it started." Like Crothall, Stern emphasizes that it isn't just workers who want the ACFTU to change the way it operates. "The government is pushing them to transform, too."

Katie Quan, a former union leader and associate chair of the Labor Center at the University of California, Berkeley, backs Stern's effort to engage the ACFTU. "The policy of the AFL-CIO to boycott China, to have nothing to do with China, has only kept the working class behind," she says. She proposes a three-pronged approach to China and the ACFTU, involving union-to-union dialogue, worker-to-worker exchanges and talks among scholars. In recent years, she says, China has made enormous changes in labor policy, starting with a law governing contract labor that took effect in January 2008. These changes have made workers more aware of their rights and, in fact, helped spark the recent upsurge in strikes. And there are future reforms in the works, including a collective-bargaining law.

A recent report by CLB, "Going It Alone: The Workers Movement in China, 2007–2008," concludes by saying that despite the ACFTU's history, there's no alternative to trying to reshape the federation. "It is essential that the formal organizing power of the ACFTU somehow be integrated with the strength and support of the workers," says the report. "The two sides will have to find a way of coming together."

Of course, it's fair to ask whether change will come fast enough. Ralph Nader, who's inspired a generation of global-justice activists and who has long campaigned against a trade regime dominated by rules written by and for big banks and corporations, strongly advocates confronting China and other low-wage exporting countries, such as India, with a social tariff designed to compensate for the lack of collective bargaining, a decent minimum wage and poor or nonexistent regulations. He acknowledges that in the end China might change, especially if modernization causes workers to demand more rights and the growing middle class exerts pressure for more democracy. But Nader is not prepared to be patient. "If we wait long enough, in thirty-five years wages and working conditions and all that may equal out," he says. "But look at the hollowed-out communities in the United States in the meantime."

In the end, however, there is probably very little that the United States can do to change China's trajectory. Few, if any, of the economic measures suggested to force China to make changes are likely to work, at least not without backfiring and causing massive dislocation in the United States as well. "Any attempt to get tough with the Chinese would also bite us in the ass," says *Left Business Observer*'s Henwood. If a trade war begins to develop, China can, among other things, wield its vast holdings of dollars and US Treasury bills as a weapon and can look elsewhere for imports that it now buys from the United States. Sophie Richardson of Human Rights Watch says the United States ought to place democratization and human rights far higher on its agenda, even in meetings on other topics, without fear that China will be insulted: "There are all sorts of ways of saying it in meetings between the two countries without it being a giant Fuck you! in the middle of the meeting." So far, President Obama seems to have sidetracked human rights.

The United States may have little choice but to get used to the fact that China is coming into its own. If that's the case, though, we may be able to use the Chinese challenge to make sweeping changes in the way America does business at home. "It isn't just China's rise, which is tectonic, but it's our own financial, political and cultural collapse that is cause for even more consternation," says Orville Schell. "We need to find ways to accommodate China, and to influence it. And it's not a foregone conclusion that it will be easy, or even peaceable." ■

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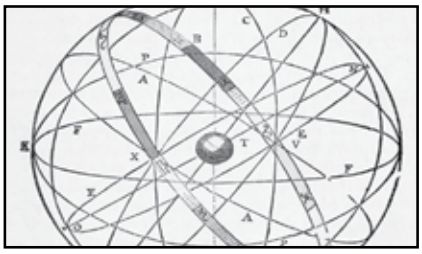

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Nevada Goes Bust

A severe budget crisis has put all state services—from education to eldercare—in jeopardy.

by SASHA ABRAMSKY

In the deeply impoverished community of North Las Vegas are two contrasting schools. The first is Rancho High School, the largest public high school in the state of Nevada, with more than 3,000 students.

Rancho has a thriving magnet school embedded in it, drawing 1,000 highly motivated students from around Las Vegas into a program that offers specializations in premed, biomedical engineering and aeronautics, and opens the doors to the country's top universities. For the more than 2,000 students in the general education high school, however—more than 70 percent of whom are poor enough to qualify for the free and reduced-price lunch program, more than 200 of whom the school district has identified as being homeless—the prospects are bleaker. Only 52 percent of these students graduate, and years of funding cuts have led to retrenchment on a grand scale. Over the past few years, as Nevada's budget situation deteriorated, the school lost upward of twenty of its 160 teaching positions. The grounds, which used to be cared for by a full-time gardener, are now episodically tended. The "block schedule," which allowed students to take eight classes instead of six, over two days, has been eliminated—the unpalatable alternative would have been to increase class sizes from about thirty-five to forty-five. Teachers have had to make concessions, including accepting additional furlough days. Further budget cuts down the road, after the school uses up the $771,000 of American Recovery Act money it received last year and the $638,000 it received this year, plus a roughly $1 million school improvement federal grant, make it possible that there won't be teachers for the noncore classes within a few years. In what could well be a sign of things to come, some AP classes are now offered only every other year.

A couple of miles west of Rancho, 625 lucky students are enrolled in the Andre Agassi College Preparatory Academy. The state-of-the-art K-12 charter school, which opened in 2001 (it is the brainchild of the retired tennis star), is backed by state funds and the deep pockets of donors from around the country. It has the declared aim of preparing all of its students for admission to college.

The sprawling campus, a swirl of walkways, airy teaching buildings, a grass-covered amphitheater, inner courtyards, libraries and music labs, cost more than $40 million to build. The school's charter stresses that admission preference will be given to local residents whose families live in poverty.

JANNA BROWER

The students are almost all African-American; if they were in the local public school system, it is doubtful, to say the least, that they would be taken on expenses-paid fifth-grade field trips to visit universities across the country, or on senior trips to Paris. It is a fair bet they wouldn't have access to Suzuki violins in kindergarten, or a Senegalese drum instructor who recently returned from a drum-buying trip to West Africa, or a hall in which Cirque du Soleil teachers come to work with the kids on balance and focus. "We surround the entire student," explains the school's chancellor, Marsha Irvin. "We have the counseling support, the resources, our athletics program. We have what's called a balanced scorecard."

Rancho versus Agassi Prep. The underresourced versus the opulent. The collapse of the state sector despite the resources available via the private. The sense of possibility versus the sense of impending doom. It is, in many ways, a metaphor for Nevada as a whole these days.

When it comes to ink spilled on states in crisis, California, which has seen its budget contract from more than $100 billion to about $80 billion over the past three years, has been getting the lion's share of attention. Yet some of the country's smaller states are seeing revenue shortfalls that, as a proportion of their total budget, far exceed California's.

Nowhere is this more so than in Nevada. Four years ago, at the height of the real estate boom, when people from around the country flocked to Las Vegas to gamble and to gambol, the state government could count on about $6.8 billion in revenues for its biennial general fund. Like most other states, it went on a spending spree—hiring more teachers, expanding an array of social service programs and so on. Since then, the state's revenues have imploded, while those spending obligations remain in place. Nevada's fabled housing boom has turned into the country's worst housing bust; unemployment statewide, as of July, stood at just over 14 percent; in Las Vegas it stood at nearly 15 percent. And as construction skidded to a halt in some of the recently thriving desert exurbs east of Reno, unemployment skyrocketed to nearly 20 percent. At the same time, fewer outsiders are visiting; the tourism and gambling industries, long the drivers of state wealth and two of the biggest sources for state revenues, have shrunk dramatically. While on the surface Las Vegas's casinos and hotels seem flush, occupancy numbers are down

Sasha Abramsky writes regularly for The Nation. *His most recent books are* Breadline USA: The Hidden Scandal of American Hunger and How to Fix It *and* Inside Obama's Brain. *He lives in Sacramento.*

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and nightly rates have been heavily discounted. That has led to a hemorrhaging of jobs—which, in turn, has turned Vegas's real estate market to desert dust.

"The housing market has dramatically impacted Nevada," explains embattled GOP Governor Jim Gibbons from his Carson City office. "Construction became our number-two industry for a while—it started in the early 1980s, when growth was overwhelming. We were building two or three elementary schools in Nevada per month to keep up with the population influx. It lasted all the way to the beginning of this recession—'06–07, and really impacted us in '08."

Last year, when legislators worked on the 2009–11 biennial budget, the shortfall was roughly $2.5 billion, before huge infusions of federal stimulus dollars. Over the governor's opposition, the Democratic-controlled legislature cobbled together a needed two-thirds majority to enact a series of temporary tax increases, which are slated to sunset next year. The legislators coupled those tax increases with spending cuts, the depletion of rainy-day funds, creative use of the state's tobacco settlement dollars and other budgetary gimmicks to kick the worst of the crisis down the road. "We saw what was coming," recalls Josh Hicks, a Reno-based tax attorney who was working as Gibbons's chief of staff during the budget negotiations. "We'd try to take steps to resolve it, but it was a difficult political situation. In hindsight, nobody really knew how bad it was going to get, or where it was going to stop, or what steps to take to solve it." Like legislators and governors around the country, Nevada's leaders improvised, hoping they would keep finding new roads to kick the crisis down.

But now those roads have been traversed, and the fiscal catastrophe is that much worse. The Retail Association of Nevada recently estimated that Nevadans have cumulatively lost $25.4 billion in income since 2008, translating into a staggering $9,800 per resident. As a result, services at every level of government are being curtailed.

Monthly services for in-home care have been cut by more than 60 percent, says Erik Schoen, with more reductions on the way. Schoen, an employee with the Community Chest of Storey County, whose 23-year-old daughter lives with multiple disabilities and requires around-the-clock care, says that he and his wife—who was paid through the state's shrinking program—might not be able to afford to care for their child at home much longer. "It's much harder in terms of the stress load for us as a family," Schoen explains. "A year from now, we don't know what we're going to do if they cut it further. We don't want to lose our house, don't want to lose our livelihood, everything that matters to us."

But, says Jon Sasser, a healthcare activist and employee of Washoe Legal Services, that's precisely the sort of thing that might soon be happening to Nevada's vulnerable populations. And, he says, it isn't only home healthcare that's on the chopping block. If conditions continue to worsen, the elderly would face possible elimination of state aid for buying eyeglasses, dentures and hearing aids—they've already experienced ignominious cuts to the adult diaper program. And the mentally ill, particularly in rural counties, are facing huge reductions in services. In Lyon County, for example, the only mental health clinic for miles was recently closed (some worry that all of the state's rural mental health clinics will soon be shuttered). The wait time to be seen, says Schoen, has increased from one month to three. Perhaps not coincidentally, in the wake of the clinic's closure, the county's suicide numbers rose from eleven in 2008 to eighteen in 2009.

The premiums for Nevada's S-CHIP program, providing health coverage to low-income kids, are likely to triple. Medicaid recipients have lost outpatient cancer and dialysis clinics, and are going to face even steeper cuts next year. And hospitals and residential treatment centers working with Medicaid recipients have had their reimbursement rates reduced by 5 percent, with more cuts on the horizon. Ray Bacon of the Nevada Manufacturers Association even argues, from out of right field, that it is time for the state to seriously consider walking away from the Medicaid program entirely. Even autistic children aren't immune: they are facing a 22 percent cut in the monthly support rates paid for their care.

Nevada is facing a shortfall of about $3.4 billion for the next two-year budget cycle—meaning it can't fund about half of its obligations.

All across state and local government services, from healthcare through public safety, the news is just as bleak. There's talk of shuttering Nevada's twenty-five state parks, and pushing firefighters and police officers to accept rollbacks to their pension benefits. Several DMV offices have shut, causing long lines at the few that remain. Gibbons and other top state officials have openly pondered the possibility of closing the Nevada State Prison, in Carson City, not because the state has dramatically decreased its prison population but because it can't afford to keep its antiquated facilities open and staffed. And huge cuts have been implemented at the county and city levels. Carson City officials slashed the city budget by 10 percent in March, resulting in the loss of nearly thirty public-safety jobs. In Las Vegas, the police department has lost $40 million over the past year alone, with more cuts likely on the way. In April, the sheriff announced a reduction in his force of nearly seventy officers.

Last year, the Reno-based Desert Research Institute lost hundreds of thousands of dollars used to fund an innovative cloud-seeding program that scientific supporters argue increases the snow yield of winter storms, and thus the state's precious water supply, by 5 to 15 percent. This year, university campuses have been slashing an assortment of majors, firing support staff, eliminating departments. Class sizes in schools are up; year-round school has been rescheduled to nine months. The Nevada Conservation League reports that the state reduced the Department of Wildlife's diversity program by nearly $800,000 (a cut of approximately 50 percent), sacrificing $2.4 million in federal matching funds in the process.

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The Right Angle on Reid

by J. PATRICK COOLICAN

Sharron Angle has no business being in the Senate, at least according to many of her fellow Nevada Republicans. The GOP mayor of Reno called Angle "wild" when he publicly endorsed her opponent in the November election, the embattled majority leader Harry Reid. Attempts by Angle's advisers to soften her image amount to a game of media whack-a-mole—there's no keeping down the real Angle, whose head pops up roughly once a week to unfurl something bizarre. She has said she'd like to "phase out" Social Security and Medicare and eliminate the Energy and Education Departments and the EPA. She called BP's handing more than $20 billion to the victims of its negligence a "slush fund." She referred to the separation of church and state as an "unconstitutional doctrine." She's mused about "Second Amendment remedies" if the ballot box doesn't deliver redemption. She agreed with a talk-radio host that there are "domestic enemies" currently sitting in Congress. And on and on.

Here's the kicker: Angle has a good shot at winning. Reid is in trouble because elections usually hinge on voters' sense of economic security and opportunity. Nevada voters feel very little of either. Since the bursting of the housing bubble, Nevada has been a basket case, with unemployment now above 14 percent. More than one in ten Nevadans receive food stamps, up 35 percent from a year ago. At this point, Nevada is pretty much a failed state. As is to be expected, Angle blames Reid. And she's not entirely off base—but not for the reasons she thinks. Angle, being Angle, hasn't the slightest clue why or how Nevada got into this mess. She says government is too big and blames bailouts and the stimulus and government debt, and she pins all that on Reid. In fact, $2.5 billion in federal Recovery Act money has managed to keep the state solvent.

Nevada has been hit harder than just about any other state because policy-makers happily bought into the illusion that the housing bubble wasn't really a bubble. They failed to properly regulate the mortgage industry, which was giving out sham loans like a mobster handing out Christmas hams. Similarly, they believed that no amount of building on the Las Vegas Strip would sate Americans' need for casino resorts. These delusions led them to create an economy built on a faulty foundation.

Meanwhile, Nevada has one of the leanest governments in the country by any measure, with more budget cuts on the way, and one of the most regressive tax systems. Elected officials of both parties have refused to enact the tax increases necessary to make key investments—in education, infrastructure and healthcare—to build a diverse economy outside tourism and gambling. In nearly every metric of social, educational and physical health, Nevada is at the bottom.

So who is at fault for all that? It wouldn't be fair to blame Reid alone. But let's be clear: though he is rightly associated with the legislative victories of President Obama's first term, for most of Reid's career he's been a Western moderate. Most of all, he's a survivor, and for a long time surviving in Nevada politics meant throwing in with the casinos, builders and lobbyists who helped craft the Nevada version of the Sun Belt Ponzi scheme. There's an old saying by the dean of the state press corps, Jon Ralston: there's only one party in Nevada, and it's the Gaming Party—the party of the Las Vegas Strip. But you can also throw in developers, construction firms, private health concerns, utilities and other powerful players, all represented by a handful of lobbyists. It's a small group of people, and Reid is at the center of it.

Reid has been instrumental in clearing the way for a long-planned pipeline—highly sought by the Gaming Party—to bring water from the north down to Las Vegas, a plan many environmentalists fear will repeat the disaster of California's Owens Valley, of *Chinatown* fame. When casino giant MGM Mirage needed financing to complete the massive $8.5 billion City Center project, Reid called banks and told them to take the calls of its CEO; so far the project seems to merely have cannibalized customers from other resorts. In the past five years, the $961,000 Reid and his PAC and committees received from unions was dwarfed by the $11.1 million from lawyers and lobbyists, insurance, banking, real estate, gaming and other business interests. Two of Reid's closest advisers in Nevada? A pair of business lobbyists, Billy Vassiliadis, a Democrat, and Sig Rogich, a Republican and onetime Ronald Reagan adman. Vassiliadis and his firm represent homebuilders, utilities and mining companies. Mining? It was Reid who told Democrats in the State Legislature that the gold-mining companies, making big profits because of a favorable tax climate and the soaring cost of gold, were not to be touched during the 2009 legislative session despite the fiscal crisis.

Reid's campaign points out all he's done since the beginning of his career, and especially since the recession began, to try to turn Nevada—which has abundant sun, wind and geothermal energy—into a renewable-energy state. He's brought home money for needed pipelines to transport the energy, delivered R&D grants, paved the way for a wind turbine factory and furthered countless other projects. Fair enough. But for years Nevada was engaged in bubble economics, and Reid was one of its most important, if soft-spoken, operatives. His political fortunes were aided by the seemingly never-ending building boom. If he loses this fall, he's merely getting what he deserves. It's just unfortunate that Nevadans will be left with Angle, while never getting any meaningful debate about the failed policies that got them into this mess.

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Teachers, who have already agreed to a freeze on some salary increases, may soon be asked by cash-strapped local school districts to accept more reductions. Rancho's principal, James Kuzma—an enthusiastic leader and animated speaker, whose brushed-back brown hair, pressed shirt, patterned tie and black trousers make him look a bit like an up-and-coming politician—had been hoping to plug the holes over the coming years with federal Race to the Top grants. Nevada didn't qualify for those funds, but the likely state cuts to education are so large that even if the application had been accepted, Race to the Top money would have been only a Band-Aid on an increasingly gaping wound. Similarly, the recent influx of $83 million in education funds (allocated to Nevada through the federal jobs bill Obama signed in August) can buy only so much time. More than 1,000 teaching positions were recently eliminated in Clark County, dominated by Las Vegas, and at Washoe County School District there had been talk of losing up to 1,500 teaching positions. The influx of federal money has allowed both districts to hire new teachers this year. But Kuzma, whose school is part of Clark County School District, worries that he might lose more teachers once federal stimulus money goes away, especially now that the state is out of the running for Race to the Top funds. His worst-case scenario? Rancho could "see class sizes go up for students already at risk regarding graduation to begin with. Kids this age need a place where they feel they belong. All those extra things—sports, fine arts—give students a place to belong. Those things may be the things keeping you here. When they go away, it increases the chance you won't want to come back to school."

And all of this might be only the first course presaging a feast of cuts to come.

Most analysts believe that Nevada is facing a shortfall of about $3.4 billion for the coming two-year budget cycle—meaning it does not have the revenues to fund about 50 percent of its current obligations. The state thus confronts a crossroads moment: find ways to stabilize and increase its tax base to at least partially plug these holes or face a rollback of government services unprecedented in the modern era. The Silver State is constitutionally required to balance its budget and prohibited from imposing a state income tax; it does not have a stable, across-the-board business tax and is being buffeted by increasingly strong anti-tax winds from the Tea Party movement. For all these reasons, a 50 percent revenue shortfall means the state would face the fiscal equivalent of a St. Valentine's Day massacre: line up large state programs, have them face the wall, mow them down. (Were California in a similar position, its budget would have to shrink to $50 billion from the already denuded $80 billion that is being talked about as the new bottom line.)

"It's going to be much more difficult to raise taxes this year," Governor Gibbons argues. "The American populace, including Nevadans, aren't enamored of raising taxes. They're more keen on reducing government expenditure. Government's not going to look the same. It's not going to *be* the same. We have to all roll up our sleeves, get out of the wagon and push."

Wild West homilies aside, however, it's not at all clear that a little bit of good will and a sense of shared sacrifice will be enough to get Nevada through this crisis. After all, when it comes to government spending, it's not as if Nevada is starting from a high plateau. According to data generated by the Progressive Leadership Alliance of Nevada (PLAN), the state ranks at or near the bottom for proportions of state GDP controlled by the government or allocated to general fund expenditures. On a white board in PLAN's Reno offices, in a beautiful old building on the north side of the Truckee River—the city's moneyed elite live across the way, in mansions on the bluffs above the south shore—is a chart comparing states' GDPs and expenditures. In 2007, when Nevada was still flush, it had a $127.2 billion GDP; of that, total state expenditures (general fund spending plus miscellaneous other expenditures) came to $8.2 billion, a mere 6.4 percent of state GDP. According to the chart, Nevada ranked fiftieth in the country when it came to the percentage of GDP spent by the state. It also ranked dead last for the number of state employees per 1,000 residents.

The state must stabilize and increase its tax base, or it will have no option but to slash and burn its way through the deficits.

Put simply, after decades of underinvesting in vital public infrastructure, there just isn't much fat to trim on this particular cut of meat. "What is so hard," says Assemblywoman Debbie Smith, "is right now we're forty-ninth in the nation for K-12 education funding, and we don't suitably fund mental health services, and on and on. That's what's so stunning about where we are. We've gotten down to bare bones. You get to a place where you have to look at closing offices and eliminating services. It's brutal."

The situation is so brutal, says Mary Lau, president and CEO of the Retail Association of Nevada, that without new taxes Nevada's decision-makers could eliminate *all* spending not related to education or health and human services—including all funding for police, prisons, highway patrol and the like—and *still* be left with a budget deficit. Lau argues that the state can't cut its way out of trouble; it has to agree on new tax sources to raise additional funds. Like many analysts, she supports a tax on services in the state, making last year's temporary tax hikes permanent, perhaps some additional taxes on businesses. "I don't think you can say, 'Screw you and the donkey you rode in on—no new taxes!' You still have to maintain a certain level of government services." You have to fund schools adequately, for example, if you want the state to attract a growth industry like green tech, which state boosters believe might offer Nevada a way out of the economic wilderness but which requires highly skilled workers.

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Outside Republican government circles, most of Nevada's major institutional players accept the need for more taxes. They just can't agree on what to tax or how to sell the idea to a skeptical public. The Mining Association, riding high on $1,200 per ounce gold prices, agreed to some tax increases last year; but it fiercely resisted PLAN's push to get voters to approve an initiative that would tax gold-mining profits at a higher rate, instead preferring a general business tax. (Launce Rake, the 47-year-old communications director of PLAN's Las Vegas office, says the group may revisit this initiative and thinks rising public support has improved its prospects for future passage.) The Manufacturers Association is wary of implementing taxes considering a forthcoming increase in unemployment insurance. And the Reno-Sparks Chamber of Commerce recognizes the need for the state to have quality schools in order to attract educated workers and their families, yet it balks at the imposition of new corporate taxes, preferring to rely on cost-saving suggestions generated by a spending and efficiency commission established by Governor Gibbons in 2008. Meanwhile, nobody believes the public would be willing to overturn the constitutional prohibition on a state income tax.

"I'm not sure the electorate understands just how deep this deficit is," says Josh Hicks, "and how much of a risk of reduced government services we're facing regarding schools, public safety and even healthcare. There's serious exposure to federal lawsuits around education and healthcare, because there are mandates in those areas." Lau shares the sentiment. "I don't know how the public gets educated and how you articulate a defense of government," she says in bewilderment. "The public doesn't quite get that."

At his more optimistic moments, George Flint thinks he might have the answer. The flamboyant 76-year-old is the lobbyist in Carson City for the state's brothel owners. He suggests imposing a $5 or $6 entrance-fee tax on visitors to the state's famed houses of ill repute. (The brothel owners, he said, would gladly accept a small tax on their business if it granted them more legitimacy and made it that much harder for antibrothel politicians to propose outlawing them in the future.) But, he says glumly, sipping an Absolut on the rocks, since prostitution is illegal within Las Vegas city limits, and since the vast bulk of the state's paid sexual transactions actually occur in Sin City, that would make only a dent in the state's budget deficit even if you could simultaneously legalize mega-brothels in Las Vegas. And that, he says with a twinge of realpolitik regret, probably isn't going to happen anytime soon.

And so, absent a viable route to increased tax revenues, the state is left with little option but to slash and burn its way through the deficits, undermining its future in order to try to save its present.

Rake, a phlegmatic ex-journalist, calls it a "Hurricane Katrina in slow motion." He leans back in his swivel chair and looks out of his chaotic, paper-and-detritus-strewn office a few hundred meters north of the Stratosphere Hotel, at the dilapidated northern end of the strip. Used to be, he says nostalgically, people's image of Las Vegas was one of glamour and glitz. These days, one of the most popular shows on cable television is *Pawn Stars*. And where is it filmed? In the pawn shop on the street below his window. It is, Rake figures, a suitable symbol of his state's decline. ■

Letters

(continued from page 2)

Columbus, Ohio

Your special issue on education gave a pass to Barack Obama's dastardly public school policies. If continued, they will further privatize K-12 education on the backs of taxpayers. Obama is more effective than Bush in undermining public education. Under Bush, school districts lost federal funds if they failed to meet specific benchmarks. But Obama's Race to the Top program won't give fiscally strapped states money unless they remove caps on the number of charter schools, force teachers' unions to allow the use of student test scores for teacher evaluation and adopt the new national teaching standards. These requirements have been pushed by right-wing business interests, although there is no empirical evidence that they work. If implemented, they will further erode the public education that's needed for a free people.

Thomas M. Stephens, *professor emeritus College of Education and Human Ecology Ohio State University*

Tarzana, Calif.

The Nation brings together the best and wisest to present its case for the "change we need" in education to an administration that is not listening. Why? Among the contributors, Linda Darling-Hammond "served as the leader of President Obama's education policy transition team." Like many progressive Americans, we're asking, What happened in the transition from Obama's campaign to the White House? Why are such respected voices not at the table making policy? We need not simply a new vision but a moral one. That America has become, as Darling-Hammond observes, the world's "prison nation," willing to spend untold billions on incarceration rather than invest in its schools, shows a moral poverty that no quick-fix education innovation will alter. To restore our public schools requires a moral restoration; a different kind of great awakening, a public one.

James Andrew LaSpina, author, *California in a Time of Excellence: School Reform at the Crossroads of the American Dream*

Old Glory, Hallelujah!

Amherst, Mass.

Patricia J. Williams's July 5 "Semaphore" ["Diary of a Mad Law Professor"], on the US Flag Code, brought me a smile and very fond memories. I've been a Girl Scout for fifty years. I learned flag etiquette as a Brownie, but complete knowledge of the Flag Code came from ceremonies, badges and raising the flag each morning at Camp Bonnie Brae. I could not have become a First Class Girl Scout (the equivalent of Eagle Scout for Boy Scouts) without complete knowledge of the Flag Code.

I have watched Tea Partyers break every section of the Flag Code. Their abuses of the flag are patriotic in their eyes. Meanwhile, if I arrived at a Tea Party demonstration in my Scout uniform, badge sash, Arrow & Star, and First Class pin and set fire to the flag, they would label me a traitor, although the Supreme Court has ruled it my First Amendment right to burn the flag.

Jane Eastwood Weisner

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Books & the Arts.

JULIA CHENG/AP

A service member returns to a US Army recruitment center in Duluth, Minnesota, in 2005.

Unequal Sacrifice

by ANDREW J. BACEVICH

The Casualty Gap is a commendable and in some ways impressive book; it is also an example of political science at its most frustrating. For those with the patience to wade through its jargon-laced and data-laden pages, the book reveals disturbing—although by no means surprising—truths about exactly who pays the price for this country's ever-growing propensity for war. Yet the single-mindedness with which Douglas Kriner and Francis Shen pursue their subject ultimately limits the value of the enterprise. The analytical rigor that unearths small but important insights impedes recognition of vastly larger ones. A preoccupation with nuance begets myopia. Hewing to the standards of their discipline, Kriner and Shen seem oblivious to the larger implications of their findings.

In *Fahrenheit 9/11* (2004), his savage indictment of the global "war on terror," Michael Moore charged that the burden of wartime service and sacrifice was not exactly falling evenly across the spectrum of American society. George W. Bush marketed the campaigns launched in the wake of September 11 as democratic crusades. According to Moore, they actually conformed to the classic definition of "rich man's war and poor man's fight." When it came to fighting and dying, Moore argued, Americans near the bottom of the socioeconomic heap were doing more than their fair share. Meanwhile, those nearer the top—the offspring of the political class not least of all—were largely shielded from the wars' effects. In an especially memorable segment, Moore showed that the military seemingly endorsed this arrangement: in search of warm bodies to ship to the combat zone, recruiters specifically targeted kids with few apparent prospects for making it back on the block.

Kriner and Shen possess little of Moore's penchant for self-aggrandizing theatrics. Yet by cross-referencing official casualty records with Census data, they reach a conclusion that affirms Moore's verdict: "when America goes to war, it is the poorer and less educated in society who are more likely to die in combat." Furthermore, this gap is by no means a recent development. Kriner and Shen survey the pattern of US military fatalities in four conflicts, beginning with World War II and proceeding to Korea, Vietnam and Iraq. (Regarding the distribution of casualties in earlier US history—during the Civil War, for example—the authors are silent.) Only in the case of the war against Germany and Japan did "the nation's long-held norm of equal sacrifice in war" prevail. Given the reliance on conscription to raise the very large forces required for that conflict along with the military's refusal to induct anyone who didn't meet strict, if arbitrary, health and literacy standards, "the poorest and most undereducated counties actually suffered lower than average casualty rates." In 1941–45,

The Casualty Gap
The Causes and Consequences of American Wartime Inequalities.
By Douglas L. Kriner and Francis X. Shen.
Oxford. 302 pp. $29.95.

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there was no casualty gap. During the cold war, fairness vanished. With the US intervention in Korea, Kriner and Shen write, "the data show a dramatic change: strong, significant, socio-economic casualty gaps begin to emerge." The evidence they amass strongly suggests that this gap widened further during Vietnam and became greater still when the Bush administration invaded Iraq.

Between the early 1940s and 2003, the composition of US fighting forces—particularly those committed to ground combat—had changed considerably. During World War II, the vast majority of frontline troops were conscripts. By the time of Iraq, the Pentagon relied entirely on volunteers. In the interim, the Army had waged limited war with a mix of volunteers and draftees. The trend away from conscription benefited the haves more than the have-nots, according to Kriner and Shen. An "increasing reliance on volunteers," they write, "correlates strongly with the emergence of the casualty gap."

Why are poorer and less-educated citizens more likely to die in America's wars?

The peculiarities, not to say inequities, of conscription during the cold war only made things worse. With the size of the service-eligible cohort exceeding the military's needs—neither Korea nor Vietnam required forces anywhere nearly as large as those mobilized for World War II—federal authorities took it upon themselves to decide who should serve when not all were needed to serve. The result was to institute mechanisms called deferments, which the talented and upwardly mobile proved adept at exploiting to dodge the draft.

The collapse of conscription under the weight of Vietnam seemingly made self-deferment an option open to all. The creation of the All-Volunteer Force in 1973 did little to close the casualty gap, however. Among the factors determining individual propensity to enlist, economic considerations became paramount. In some instances, patriotism and a desire for self-actualizing experience might play a role—Pat Tillman didn't walk away from an NFL career to become an Army Ranger because he needed to enhance his gridiron skills on the military's dime. Yet any recruiting sergeant worth his salt understands that nothing does more to lure interested youngsters to his door than high civilian unemployment combined with the promise of generous military pay and benefits. Whether before 9/11 or after, those with attractive alternatives to military service by and large have chosen them. Those without them signed up.

Who cares if "poorer and less-educated citizens are more likely to die in America's wars than richer and more educated citizens"? We all care, Kriner and Shen insist: "Americans are disturbed by casualty inequalities." Citing the results of an imaginatively constructed survey, they suggest that public awareness of the casualty gap can reduce popular willingness to support interventionist policies or to fight on regardless of cost. Once sensitized to this pattern of unequal sacrifice, Americans "drastically change their military policy preferences" and become "much less willing to accept large numbers of casualties in future military endeavors." Put simply, as people become conscious of the casualty gap, they become more dovish.

For Kriner and Shen, the policy implications are clear: citizen awareness of the casualty gap can serve as a "democratic brake," helping to avert ill-advised or unnecessary wars. The key to activating this brake, they believe, is to "encourage an open discussion of how the burden of wartime sacrifice…is borne differently across the country." Open discussion will raise public consciousness, constraining warmongering policy-makers as a result. Would that such expectations were even remotely plausible. The authors' faith in the power of "open discussion" is touching but profoundly naïve.

Recall that inequality of service and sacrifice is not exactly a deep, dark secret. After all, millions of people saw *Fahrenheit 9/11* and absorbed its angry message. Nor has Michael Moore been alone in complaining that a fundamental unfairness pervades the way the United States has come to wage its wars. Yet the ensuing "discussion" has not notably reduced Washington's inclination to use force—it certainly didn't prevent Barack Obama from escalating US military involvement in Afghanistan by "surging" an additional 30,000 reinforcements. Even if knowledge of the casualty gap induces a certain unease, that alone does not suffice to change policy. If anything, policy-makers have displayed a considerable aptitude for ignoring qualms of conscience.

Although Americans more generally might bemoan the casualty gap, they won't exert themselves to close it. The reason seems quite clear. Casualties affect public perceptions of policy when they hit close to home, when the sense of loss is direct, immediate and palpable. Yet the communities on whom the burden of sacrifice falls most heavily are precisely those that wield the least clout. Not having much money, they are easily ignored. "Citizens from low-income, low-education communities," Kriner and Shen write, "are disproportionately less engaged in politics than their fellow citizens from socio-economically advantaged communities." "Less engaged" is, to put it mildly, an odd formulation. The plain fact is that in Washington the less affluent are less likely to get a hearing. "The populations with the most to lose in war become those communities with the least to say to their elected officials." That's one way to put it. Another is that these communities are most easily blown off.

The way to activate a democratic brake is to ensure that all Americans bear the brunt of war. Promoting awareness of the casualty gap won't do that. Hitting Americans where it hurts—in the pocketbook—just might. Contemplate, for example, the political implications of funding war on a pay-as-you-go basis. After 9/11, the Bush administration employed tax cuts to purchase popular acquiescence in its plan for open-ended global war, freeing the present generation from any obligation to cover the financial costs incurred. Revoke that arrangement and the public's willingness to indulge in further military adventurism will evaporate.

Consider the following back-of-the-envelope calculations. Since 9/11, the Pentagon budget has more than doubled to approximately $700 billion per year. Let's peg current war costs at $400 billion annually (almost certainly a lowball estimate). There are approximately 150 million single or jointly filing taxpayers in this country. Reduce that number by the 30 million veterans who have already given at the office, as it were, and the per capita cost of ongoing US wars comes to more than $3,300 per annum. Add that as a surcharge to every American's tax bill (or subtract that amount from the annual payout to Social Security recipients), and the "democratic brake" will bring American wars to a screeching halt.

This isn't going to happen, of course. Officials in Washington, Kriner and Shen observe, "have a keen interest in reducing the visibility of casualties for fear that greater public exposure will minimize their

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freedom of action." The casualty gap is "an inconvenient truth" that both parties choose to ignore. For the same reason, officials have a keen interest in concealing war's fiscal implications. They do this by pretending that there are none. Sustaining that pretense works in the near term to preserve the status quo.

This status quo—which includes grotesque inequality at home and perpetual war abroad—persists not because Americans are insufficiently alert to reality but because the powerful are determined to preserve arrangements that serve their own interests. After all, for the rich and the well-connected, inequality translates into privilege. Those who enjoy these privileges—and the politicians who do their bidding—are determined to retain them.

According to Kriner and Shen, "The idea that poorer segments of the country bear a disproportionate share of the nation's sacrifice on the battlefield is antithetical to American democratic norms." This is not political science but wishful thinking. However regrettable, the fact that poorer segments of the country bear a disproportionate share of wartime sacrifice is entirely consistent with the actual practice of American democracy. ■

Joshua Clover is a fellow at the Society for the Humanities at Cornell University, where he is researching poetry and political economy.

Busted

by JOSHUA CLOVER

For all the fame surrounding Milton Friedman, Ayn Rand and Alan Greenspan, their contributions to a political economy of modern capitalism are minor in relation to those of Friedrich von Hayek, a founder of the Mont Pelerin Society and prophet of the "price signal." A striking and original intellect, Hayek argued that something's market price is not simply what it would cost you but a kind of information used to allocate goods and services most efficiently within the social matrix. Because centrally planned economies lack a mechanism to price commodities correctly, they are unable to put things where they need to go. Individuals wouldn't get what they desired; the larger economy would be unable to balance production and consumption, supply and demand. Shortages would appear cheek by jowl with surpluses. This would have disastrous and eventually fatal consequences, not only for the market but for the lives of its subjects.

The free market, contrarily, able to revalue every object with supple velocity according not to some ideological program but the aggregate will of the people—not just the invisible hand but the invisible spirit, as it were—was more suited not simply to survival but to individual freedom. Hayek's case, best known from *The Road to Serfdom* (1944), remains the most rigorously persuasive brief for twentieth-century capitalism in its long, acrimonious and cordite-scented war against every other form of life. At the time, the 1989 collapse of the Soviet bloc, and the discrediting of its economic hypotheses, seemed to confer on Hayek's insight the aura of truth.

And yet, having triumphed more or less absolutely, the American model of capitalism has proved itself to be catastrophically lacking in the very balance that Hayek suggested was its singular virtue. The boom-bubble-bust cycle grows ever swifter and more calamitous. The latest crisis bests Black Monday of 1987, the Asian contagion that threatened the globe in 1997–98 and the bonfire of capital that was the tech collapse. It is already well remarked as the worst in eight decades. Each day (and especially each employment report) affirms that it is not at all over; that hopes for a swift recovery are somewhere between optimistic and delusional; and that it may yet surpass the Great Depression, possibly bringing to an end the century-long global domination of the United States.

In the big picture, this imperial denouement is the money shot; we have not yet reached that climax. Nonetheless, it is to be expected that reams of paper and no small amount of server space have already been devoted to parsing the events and partial outcomes. These accounts arrive from several professional strata: journalists, historians, economists, policy wonks, even philosophers (see, for example, Slavoj Zizek's cheerfully messy and ineluctably provocative pocket book *First as Tragedy, Then as Farce*).

Exemplary among the journalistic is John Lanchester's awkwardly titled *I.O.U.: Why Everyone Owes Everyone and No One Can Pay*. The title is in part awkward because its significance is never paid in full, as it were; more on that later. Lanchester is a much admired novelist and contributing editor to the *London Review of Books*, which has featured some of the finest grapplings with the crisis (the essays of Donald MacKenzie deserve particular attention). But *I.O.U.* most strongly resembles not print journalism but the radio variety—specifically, the National Public Radio podcast "Planet Money." This is not a bad thing. The offshoot of "The Giant Pool of Money," NPR's early foray into crisis explication, "Planet Money" has a flair for the domestic analogy that can help nonexperts understand the obdurately complex instruments and operations of contemporary finance.

Such analogical virtue can be analytic vice. When one converts, say, collateralized debt obligations and credit default swaps into a folksy story about the neighbors and their home insurance, the crisis appears more legible than its components, those acronymic phantasms of fictitious capital traded by the blind protocols of shell companies hoping to arbitrage a few billion pennies from minuscule imbalances in a great global system. But such personalizing can lead to a humanist dead end—now we are compelled to pious outrage over the bankrupting of Becky and Jack, especially if we have just heard them interviewed on-air. All we want

NORTH WIND PICTURE ARCHIVES/AP

A nineteenth-century illustration of pandemonium in the New York Gold Room on Black Friday, September 24, 1869

I.O.U.
Why Everyone Owes Everyone and No One Can Pay.
By John Lanchester.
Simon and Schuster. 278 pp. Paper $15.

13 Bankers
The Wall Street Takeover and the Next Financial Meltdown.
By Simon Johnson and James Kwak.
Pantheon. 304 pp. $26.95.

A Companion to Marx's "Capital"
By David Harvey.
Verso. 356 pp. Paper $19.95.

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is for them to be made whole. The effort to grasp the malignant, impersonal structure of the crisis goes by the wayside.

Lanchester navigates this terrain nimbly. As a primer on these "weapons of mass destruction" (an appellation for which Warren Buffett gets much credit, obscuring the heft of Berkshire Hathaway's derivatives portfolio), *I.O.U.* is terrific. Here is a moment of signal clarity: "Banking does not just involve the management of risk; banking *is* the management of risk." He continues:

> A big component of that risk is how big to be. In practice, that means how much bigger your liabilities can be than your equity. This is known as "leverage".... During the boom, the leverage ratios of the big European banks—the multiple by which their assets exceeded their equity—reached a point where they were the financial equivalent of bungee jumping.

The elaborate entanglement of instruments leveraged into such mad motion condenses into a clearheaded story of the Joneses, Smiths and Wilsons. Even better, Lanchester's move to analogy is often enough a way of reversing out of the human-interest cul-de-sac. He ends this passage with an explanation of the credit default swap, which, "invented as a way of making lending safer, turned out to magnify and spread risks throughout the global financial system." His punch line is a knockout: "It's as if people had used the invention of seat belts as an opportunity to take up drunk driving."

A couple of years on from the precipice of September 2008, the urgency to pierce the veil of these alchemical financial instruments has somewhat eased. Certainly they are opaque, and intentionally so, it turns out: the better to lure overconfident, underinformed investors during the postmillennial credit run-up that drove the vertiginous climb in property values. But basically, they were credit schemes that seemed to advance gold against dung. And people took the credit, and people bet on the credit, and people bet on (and against) the credit issuers and credit resellers and credit insurers, and most of all they bet that there would be more borrowers and more bettors coming along behind them. Except by "people" I mostly mean corporations. And vast funds, and municipal and state entities.

The rage to understand the intricacies of these shenanigans is understandable. But in trying to grasp what happened, we must finally be concerned with the larger dynamic that drove so many to sell these instruments; and so many to buy them; and so many to applaud, marvel and cheer. The Mont Pelerin Society's first stated aim in 1947 was, after all, "the analysis and exploration of the nature of the present crisis so as to bring home to others its essential moral and economic origins."

Regarding origins, *I.O.U.* comes up short. It's as if one must choose between grace with description or narration, and Lanchester has opted for the former. This is not to say he doesn't proffer culprits. "Accounts of the banking-and-credit crisis tend to focus their explanations, which usually also means their blame, on one or more of the following four factors: greed, stupidity, government, or the banks." He timorously suggests an admixture of the four.

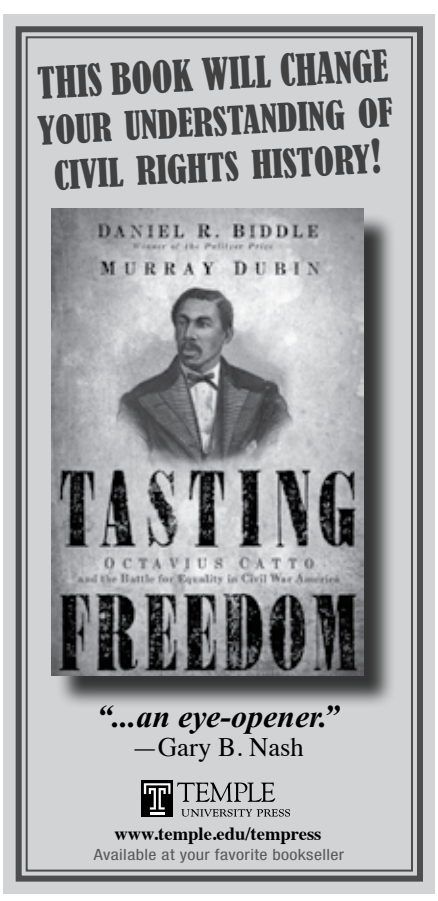
In truth, this quatrain offers only a couplet for blame: character and institutions. These two, moreover, are one: the failures of the latter require reference to the former. For Lanchester, "culture" figures prominently. The gap between the industrial and finance sectors is a "cultural difference." The myriad screw-ups of the banking sector, "all the funny smells, the missed warning signals, the misaligned incentives, the distorted attitudes to risk, the arrogance of the masters of the universe, the complicity of regulators, the doziness of legislators—symptomized a culture, and also constituted one. It was the culture of the financial industry." Or consider this explanation for a property boom with scarcely a historical precedent: "Our risky, long-term, innovative (sometimes recklessly so) mortgages came into existence because the market set out to find ways to let us fulfill our heart's deepest desire, to own our own property. The appetite created the products, not the other way around."

In other words, it's the cupidity, stupid. Even Alan Greenspan, arguably the most substantial institutional player in the history of the present crisis, settles on greed as the answer. In 2008, after two decades as head of the Federal Reserve (where his insistence on low regulatory standards and lower interest rates helped inflate the credit bubble), he had a revelation on par with Saul on the road to Damascus. There was "a flaw in the model... that defines how the world works." That flaw was greed: the "self-interest of lending institutions" failed to protect shareholders, much less customers.

The evident irony is that greed—the self-interest of individuals, spread across the society—is exactly what's supposed to make capitalism work. This is a tenet of classic liberalism, raised to a fundamentalism by Ayn Rand and her protégé Greenspan. And while Lanchester rakes Greenspan over the coals for this contradiction, he can only do so half-heartedly. They basically agree on the cause of the current crisis. Greed done us in.

A further, more superficial flaw of the greed explanation regards its character as an unchanging truth of human disposition. How has it nonetheless managed to peak so recently? Lanchester offers at least one curious rejoinder: the United States won the cold war. Absent ideological combat with communism, "the good guys won, the beauty contest came to an end." Once "capitalism was unchallenged as the world's dominant political–economic system," it brooked no checks on its power; greed had a free hand, and everything went pear-shaped. He seems serious as he writes this. Never mind about the Great Depression, say, or the Panic of 1873, or the South Sea Bubble.

Peculiar as this history is, the basic elements are familiar: greed and regulation, hammer and tongs. This is the forever war on offer in *13 Bankers*, by Simon Johnson and James Kwak. Chapter One opens in the heyday of the Federalist debates, with Thomas Jefferson



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Peregrine

The peregrine don't bother with
the beak and feet and toss
them to the sidewalk off
the top of the Methodist's tower

like KFC out the window
of a speeding car of drunks,
sparrow and pigeon parts
on the sidewalk, a roadside litter,

the road here in this case is the sky.
It rains blood more literally
than it always does and the birds
of prey have non-metallic feathers.

Everyone in Chicago has read
in the Times, coyotes prefer Mc D's.
Our kind of wild life steps right up,
robs the joint in the disguise

of himself he knows no one would believe.
True, animals don't use
human technologies, but the changes
in us, because of such advances,

advance the animal relation to us.
They've necessarily learned
vicariously what they need to know
of how two-legged technologies run;

they keep up with us the same way
the dumbest button pusher
keeps up with the MIT computer
engineer. Not rocket science, but enough

to know what it does is there
to work around or with whatever it is.
Adaptation is an education in more
fields than we imagine.

ED ROBERSON

and Alexander Hamilton arguing over the power of a central bank; two centuries later, the war between go-go bankers (Team Greed) and prudent government (Team Regulation) retains its furor.

Johnson and Kwak operate the econo-blog The Baseline Scenario; Johnson is better known as the former lead economist of the International Monetary Fund. But of late he is a celebrity apostate. His 2009 *Atlantic* article "The Quiet Coup" made the elegant point that if any other country were offered the assistance package with which the US government favored its corporate sector, it would have been squeezed into a structural adjustment program so austere it would have made the stones of Mt. Rushmore bleed. No such measures were forthcoming. From this, we deduce the current balance of power in the United States: as slanted toward its money oligarchs as the most corrupt backwater, having captured the Bretton Woods organizations to boot.

13 Bankers reprises the argument, but it is not enough for an entire book. The authors fill it out with the requisite glosses on the motley of finance schemes and regulatory regimes, albeit with less facility than Lanchester. More pointedly, they plop their kernel of analysis within the context of past struggles and wheel toward the future (the "next financial meltdown" of the subtitle). The current crisis has provided us an opportunity to do things differently: "History shows that finance can be made safe again. But it will be quite a fight."

And yet the history told in their book shows nothing of the sort. Quite the opposite. The book, perhaps unintentionally, thoroughly debunks the dream of regulation. Instead, it suggests that the fight is no fight at all but a fairly rigid bit of choreography. The authors detail at prolix length the "oscillation" between Team Greed and Team Regulation, each of which perpetually insists it has brought the systemic problems to heel, and each of which is inevitably embarrassed. Writing about the lotus-eaters of the '90s—"Sophisticated macroeconomic theories and wise policymakers, they suggested, had learned to tame the cycle of booms and busts that had plagued capitalism for centuries"—Johnson and Kwak promptly note how wrong they were. Again.

The authors seem, in that instant, on the verge of realizing that the problem is the dynamic itself—that the choice between greed and regulation is a false one, that the dance of bankers and regulators is exactly what ends in a tangle on the floor, with the markets a shambles, liquidity in drought and real unemployment trending toward 20 percent. But they are policy professionals, after all. They can think only certain thoughts. And so, as if in the grip of a nightmare or a repetition compulsion, they simply bid to be the very "wise policymakers" they have just pilloried. Surely this time, Team Regulation will get things sorted. Have Johnson and Kwak not bothered to read the book they've written?

Finally, neither of these standpoints—journalists and policy pros, however well intentioned—can grasp the extraordinary turn we have all taken or its historical specificity. At best, they are given ephemeral intuitions. Lanchester and Johnson and Kwak note that something world-changing happened in the 1970s, but none of them are quite able to put a finger on it. "Beginning in the 1970s and accelerating through the 1980s, the financial services industry broke free from the constraints of the Depression-era bargain," write Johnson and Kwak; no *why* is forthcoming. Meanwhile, Lanchester's mysterious wave at the cold war at least suggests the dimension of the disaster.

Among the many acronyms of the great bailout, certainly the most significant were TARP and TALF: the Troubled Asset Relief Program and the Term Asset-Backed Securities Loan Facility (together they're the Public-Private Investment Program for Legacy Assets). Different in many regards, they share a core purpose: to assist in the purchase of "toxic assets" that are otherwise unsellable, so as to pump liquidity back into markets.

Ponder this for a moment. The market, functioning freely as Hayek would have hoped, has assigned a value to these assets: zero. There they should rest. But instead the government steps in to pay people, in effect, to buy things they think are worth nothing. By people I still mean corporations.

We could complain that this is another handout to the financial sector, and that is inarguable. But this is to miss its true significance: the price signal is dead. Capitalism's virtue has survived its greatest modern rival by scarcely a generation. At a minimum, the triumphalism of the post-'89 era lies in tatters at our feet. The much-bruited Project for the New American Century didn't last a decade and has been replaced by shivering anxiety about what China will do next. (A Chinese company moved to purchase the bankrupt Hummer brand, DOB 1992, and was blocked by Chinese regulators: an allegory worth reflection.) And yet somehow we want to tell a story about a few bad banks and rogue financiers, a glitch in the human spirit, the resiliency of Team Regulation.

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The time has come, all of this makes clear, to assess capitalism again from the outside. We should begin by understanding that it is the utter discrediting of capitalism's most basic premises that explains the return of Karl Marx as spectral bogeyman. Not the current president's (staunchly pro-corporate) proclivities, not ACORN and not China's nominal communism. Marx's *Capital* reached an all-time high in sales in the same season that the Public-Private Investment Program was announced.

Capital is the strangest of books: not a work of political economics but, per its own insistence, a "critique of political economy." It is a concerted effort to understand the faux objectivity of modern economics not as an explanation of a system but as its apologia. At the same time *Capital* is economics as such; a landmark in materialist philosophy; a theory of history larded with empirical studies. It can be intractable.

David Harvey has been teaching courses on *Capital* for more than three decades; his seminar is freely available at various sites online. Now it arrives in published form. A geographer by trade, Harvey is particularly brilliant on the spatial dimensions of economics (as in his landmark earlier work, *The Limits to Capital*). But *A Companion to Marx's "Capital"* is at once sleeker and more lucid, communicating the theoretical nuances of dialectical thought and the history of struggles over the length of the working day with marvelous grace. It is without a doubt one of the two best companions to Marx's pivotal work (the other is Ben Fine and Alfredo Saad-Filho's *Marx's "Capital"*). One can glean much of the primary text's character from reading Harvey's companion alone; Harvey is rightly insistent that they be read in tandem.

At our conjuncture, we must ask of these texts one simple question: can they help us tell the story of capitalist crisis better? The answer is, certainly. Perhaps too well. As the old joke goes, did you know that Marxist economists have predicted ten of the last three crises? This is pretty funny.

Marx's *Capital* is, among its cornucopia of analyses, a theory of crisis: how capital, with its immutable compulsion to expand or collapse, pushes itself via self-destructive competition into disaster—at which moment it endeavors to shake apart and reform itself even more grandly. This is, at least, a story. And a pretty good one: it narrates usefully the development of a market economy out of the Renaissance and eventually into the British Empire, yielding to an even more global US order. It also reminds us of the simplest fact, yet one seemingly elusive to most of the recent crackup's commentators: greed is an irrelevancy. When the investment bank across the street leverages up to a debt/equity ratio of twenty-nine to one, you leverage up to thirty or get out. Greenspan's account, and those of Lanchester and Johnson and Kwak, and an army of like cases, are pure hoodoo. Your moral sentiments have nothing to do with it.

Moreover, Marx's 150-year-old guide renders specifics of the current crisis that appear only as intuition in the other books. Something really did happen in the 1970s. The long postwar boom played itself out; intensive competition born in that period pushed industries to accept lower and lower profit rates. Eventually they got too low, and capital itself needed another profit center if it was to continue its requisite expansion. Enter finance, on the heels of creeping deregulation, among other things, seeming to provide not just its own profits but a broader cycle of consumption-fueled growth.

This raises our last question; fittingly, it is the same as the first, the part Lanchester never quite answers. We know why everyone owes everyone: because there was fresh dough to be made in extending credit, until there wasn't. What we don't know is, Why can't anyone pay? Why didn't property values ascend forever? Why didn't the market just keep expanding? This is not a question answered by Johnson and Kwak either. It is, let's say, above their pay grade (or perhaps far below). To tell the story, one would need an account of where value actually comes from. This is not impossibly complex; unlike the niceties of derivatives, it's not rocket science. If value is generated by people laboring to produce stuff that gets sold, and profit comes from exploiting the productive value of labor—this is a simplification, of course, but not a mistake—sooner or later people will have to labor productively to make good on any extended credit. By people I mean people.

But this becomes decreasingly likely, until it is impossible. Promises to do all that work later will reach limits, particularly as companies cut labor costs, replace workers with machines and outsource work to overseas markets. New value, arising only from the discrepancy between wages and productivity, appears elsewhere when it appears at all (witness the growth of India and China). Or it appears to glimmer in the future: credit is the name for spending it now. But even the future has a limited number of hours, technically. Meanwhile, over in the finance sector, where the money seemed so recently to reside, there is only a genteel, bloody struggle over how existing value is divided; no new value is created. The gap between value that can be realized and "fictitious capital"—claims on future value, all those derivatives purling through the purportedly new economy—has become a chasm. No one can vault over it any longer.

But the economy made its tiger's leap out of the stale factory and into the open air of finance for a reason; we can't just return to the fading industrial base with an *oops* shrug. We have no new line of widgets to labor over and sell. This is why ours is a real crisis, not just a panic. This is why we have seen exactly what the analysis grimly promised: shortages cheek by jowl with surpluses, unemployed workers stacked up next to unused factories. We deferred this reckoning once, twice, three times, depending on your measure. Certainly the most recent credit bubble was pure deferral, pure delusion: Wile E. Coyote out over the gap, legs spinning. He hovered there for a while, and lots of people pretended the laws of physics had been revised, even as he started to plummet. Boom. By boom I mean bust.

Versions of this plaint have been made frequently enough by "mainstream" economists, seemingly unaware they're borrowing the lineaments of an account they've spent careers disavowing as a mystery cult. Well, there are no atheists in foxholes. Or, as a friend says, Marxism is like gold; in an economic crisis, everybody runs to those who have it. Not surprisingly, economists cannot borrow, even at low levels of interest, the insights most needed: the basic understanding that capitalism's flaws are internal to its own logic and can't be whisked away by another round of financial regulation or everybody promising to be less of a creep. It is indeed a compulsion, and it ends poorly.

The possibility of an unhappy ending for capitalism is exactly the one thing that a thousand books written from within the crisis won't contemplate, even as we know that everything ends eventually. And so, as we parse the flood of explanatory texts, we should turn to China one more time—but not to speculate about whether it will revalue the renminbi against the dollar. We must resurrect the judgment of Zhou Enlai (often misattributed to Mao) on the success of the 1789 French Revolution, offered some century and a half on. But we must take it as an admonition regarding our race to grasp the historical import of the 2007 Crisis of Capital: "It's too early to tell." ■

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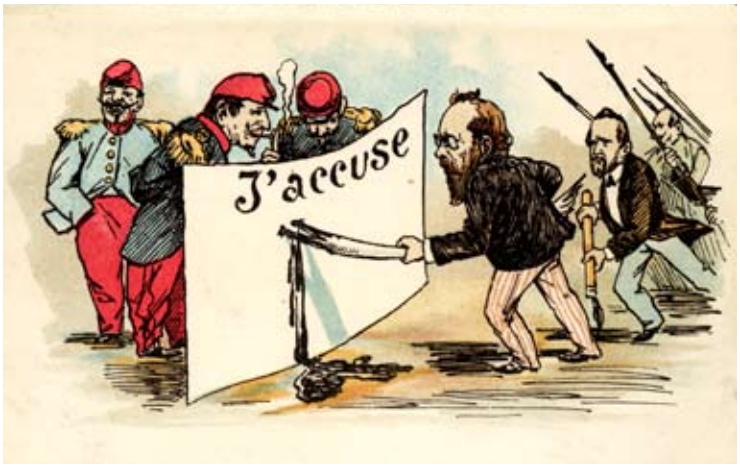
SHELF LIFE

by JOHN PALATTELLA

IN 1894 A CAPTAIN IN THE FRENCH army named Alfred Dreyfus was convicted of treason on account of a scrap of paper. It was a *bordereau*, or memorandum, about French artillery and troop movements that had been retrieved from a wastebasket in the German Embassy by a charwoman in the employ of French counterintelligence. Dreyfus was wrongly accused of treason by his superiors based on a dodgy handwriting comparison; they also thought he was guilty because he was a Jew, "an enemy from within." When doubts about Dreyfus's guilt arose, his accusers manufactured incriminating evidence. Dreyfus was court-martialed, subjected to a degradation ceremony at the École militaire and imprisoned on Devil's Island. Kept in a tiny, stone-walled cell, he was forbidden to speak to his two guards; shackled to a metal bed at night, he was tormented by biting ants, suffocating heat and suppurating sores on his ankles. Dreyfus was an innocent man crushed by a state guilty of deceit and anti-Semitism. Has a piece of rubbish ever caused a person such misery?



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J'accuse, a postcard showing Émile Zola using a pen to attack the general staff

Dreyfus: Politics, Emotion, and the Scandal of the Century (Metropolitan; $35), Ruth Harris's meticulous, assured and engrossing account of the Dreyfus Affair, calls to mind none of the many books on the subject but instead *The Sorrow and the Pity*, Marcel Ophuls's epic 1969 film about French collaboration and resistance during the Nazi occupation. Like Ophuls, Harris has produced a history sensitive to historical limits. She unravels decisions made in the swirl of experience, fraught with contradiction, accident and incoherence and governed by emotion as much as reason, by prejudice as much as principle. Although her sympathies lie with Dreyfus and the Dreyfusards, the band of left-wing politicians, journalists, intellectuals and artists such as Émile Zola who campaigned for the captain's acquittal, Harris rejects the Dreyfusards' enduring script of a triumphant battle of light against darkness, which she says makes for "good rhetoric but poor history."

The history told in *Dreyfus* is untidy. We learn that many Dreyfusards "championed the Jewish captain not because they had clear proof of his innocence" but because they believed that the Jesuits, loathed for their connections to royalists and the army, "were responsible for his conviction." We learn too that radical Dreyfusards balked when pressed by confreres to make tactical compromises to bolster the defense of their namesake: upholding the purity of Republican principles trumped the vindication of Alfred Dreyfus. The civic religion of Republicanism did not immunize Dreyfusards from the fanaticism that afflicted their foes on the right. In Harris's view, it's because of the rude persistence of Republican absolutism in France today that "right-wing nationalists keep company with some members of the left outraged by the incursion of religious symbolism into secular education. Where else in the Western world would the wearing of headscarves produce such ire and even national legislation?"

For all that Harris chronicles the fragility of Dreyfusard alliances and the clash of Republican principles, her account of the Dreyfusard campaign does not dilute its achievements. For a dozen years the Dreyfusards fought against the perfidy, calumny, paranoia and violence practiced and abetted by the anti-Dreyfusards. Auguste Scheurer-Kestner, a senator for life from Alsace and the first politician to publicly defend Dreyfus's innocence, took to wearing "a kind of chainmail under his clothing in case he was attacked." (Harris's eye for the vivid detail gracefully complements her analytical rigor and is one reason her book is a pleasure to read.) In 1906, after Dreyfus, having been released from Devil's Island and granted a new hearing by a military tribunal, was court-martialed again, the Dreyfusards persuaded President Émile Loubet to exonerate him. Had the Dreyfusards secured justice? Harris thinks not. Their "campaign succeeded only because the Cour de cassation, the high court, used an obscure prerogative to take the case away from the system of military justice, which did not admit its error." With the case out of the military's hands, Loubet was free to act, though only to a degree, for his pardon of Dreyfus did not rescind the military's guilty verdict. "The end of the Affair produced no clear conclusion and no real justice, merely a political truce," Harris writes. Yet for all their tactical blunders and character flaws, the Dreyfusards did not fail. Their cause was just, their principles sound. It was France that failed Dreyfus, and them.

AMONG THE MANY ASPECTS OF THE Iraq War that have remained out of sight to Americans is the plight of Iraq's refugees. The exodus of nearly 2 million Iraqis after the 2003 American invasion is the largest displacement of people in the Middle East since the *Nakba*. Sunnis, Christians, Shiites and members of smaller secular and religious minorities, the overwhelming majority of them middle-class professionals from Baghdad, have fled to Syria, Jordan, Lebanon, Europe and beyond. Deborah Amos's *Eclipse of the Sunnis: Power, Exile, and Upheaval in the Middle East* (PublicAffairs; $25.95) is a harrowing account of the pain and anguish suffered by the Iraqi Sunni diaspora in the Middle East. Especially perverse is a legal hurdle faced by exiles seeking asylum in the United States. Amos reports that Iraqis who have "paid ransom for the release of a loved one who had been kidnapped by a militia or criminal gang" have been barred from relocating to the United States by the Patriot Act, which considers "the paying of ransom in such cases—regardless of the circumstances—as constituting 'material support' for terrorists." Iraq's exiles have been left stranded by their putative liberators between a decimated past and a future not yet born. ■

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Reverse Psychology

by ELIAS ALTMAN

Georg Letham
Physician and Murderer.
By Ernst Weiss.
Translated by Joel Rotenberg.
Archipelago. 560 pp. Paper $17.

In her autobiography *A Backward Glance*, published in 1934, Edith Wharton sketches a portrait of herself as a young woman in the 1880s: "Much less pretty than many of the girls, and less quick at the up-take than the young men, I might have suffered from an inferiority complex had such ailments been known." For all its plainness, Wharton's sentence marks a bold transition in the history of psychoanalysis and literature: it is the moment when the writer places the diagnosis and its symptoms side by side. Wharton assumes that the characterization of her younger self is incomplete without one modifying the other. Ten years earlier, she could only have been descriptive; the phrase "inferiority complex" wasn't popularized in English until around 1926, when Alfred Adler used it in the *New York Times*. Ten years later, the phrase was all she would need.

PRIVATE COLLECTION

Ernst Weiss, photographed by Peter Engel

T.S. Eliot had foreseen this coming change in his September 1922 "London Letter" for *The Dial*. There were now three major kinds of the English novel, Eliot claimed: "the old narrative method" on one end, the "dangerous" model of Dostoyevsky on the other and the "psychoanalytic" mode in between. The last type was newly born, but because its examination of life's intricacies drew upon "a dubious and contentious branch of science," Eliot believed its chances of survival were low. He complained that the psychoanalytic model extracted "as much pity and terror as can be extracted from the materials: but because the material is so clearly defined (the soul of man under psychoanalysis) there is no possibility of tapping the atmosphere of unknown terror and mystery in which our life is passed and which psychoanalysis has not yet analysed." The psychoanalytic novel was bound to disappoint because it only posed questions to which it could supply neat answers, reducing the stuff of human affairs to "a theory of human relationships." Such a technique, said Eliot, cannot be the stuff of literature.

Georg Letham: Physician and Murderer, a novel written by the little-known Czech-Jewish writer Ernst Weiss and recently translated by Joel Rotenberg, reads as if it were intended to disprove Eliot. First published in German in 1931, three years before Wharton's autobiography, *Georg Letham* incorporates aspects of the old narrative method and the dangerous Dostoyevsky model; but it proceeds mostly on a psychoanalytic path, determined to expand the possibilities of the novel, not diminish them. Writing in the voice of the titular narrator, Weiss details his ambitions in the preface:

> Too weak to be of help and lost to faith from childhood; given over to all the antisocial urges of his heart (the original sin?); never understood by his fellows and thus always profoundly alone; tugged this way and that by internal contradictions, like a malaria patient who sweats and shivers as he oscillates between subnormal and supranormal temperatures; with scientific ideas in his mind, but no hope in his heart, a heart that ages year by year but never grows up; with a human life on his conscience, but no real conscience among his contradictory and self-canceling character traits—is all that my self? No, only part of it. Yes, to give an account of such a life—not just some of it, but all of it—this might be a task for the modern novel.

More than thirty years earlier, an account of man's internal contradictions, antisocial urges and self-canceling traits had already been attempted; it just wasn't a novel. In *The Interpretation of Dreams*, Sigmund Freud advanced one of his central theories about the human psyche—that infantile experience is the dominant force in the determination of the ego's formation—and sought to demonstrate it through self-analysis. *The Interpretation of Dreams* was in many ways Freud's attempt to colonize his unconscious, mapping the territory of his dreams and memories. In the words of historian Carl Schorske, this project was akin to "St. Augustine weaving his *Confessions* into *The City of God*, or Rousseau integrating his *Confessions* as a subliminal plot into *The Origins of Inequality*." Where St. Augustine and Rousseau cleaved reflections that we would call "autobiographical" and "philosophical" into two parts, Freud made no division, since the way we narrate our autobiographies—to an analyst; in his case, himself—is the basis for philosophical reflection.

Yet psychoanalysis went far beyond mere reflection. Freud saw it as a new science of the self capable of systematically unearthing what had been buried beneath layers of social sediment. Like his hero Heinrich Schliemann at Troy in the 1870s, Freud in *fin de siècle* Vienna led the excavation; just as Schliemann had relied on passages from Homer and Pausanias to locate the ancient city, Freud used literature to do much of his spadework. But while an archaeologist digs for decayed artifacts, a psychoanalyst seeks something that, for all its intangibility, is still very much alive. Freud understood the danger: "To express the matter boldly, it is as though a sexual preference becomes active at an early period, as though the boy regards his father as a rival in love, and as though the girl takes the same attitude toward her mother—a rival by getting rid of whom he or she cannot but profit. Before rejecting this idea as monstrous, let the reader consider the actual relations between parents and children." He then referred to Sopho-

Elias Altman is an assistant editor at Lapham's Quarterly.

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cles' *Oedipus Rex* to demonstrate that the death wish toward one's parent originates in earliest childhood. It didn't take long for this modernized Oedipus to find his way back into literature: Hermann Hesse wrote in 1918 that Freudian thoughts were more discussed by young artists than by doctors, and that same year the psychiatric phrase "stream of consciousness" was first used in literary criticism. In 1920 an influential Berlin journal observed that most recent novels bore the marks of psychoanalysis.

Ernst Weiss became enamored of psychoanalysis as a medical student at the University of Vienna, a few years after Freud had been named a professor in 1902. Weiss was especially interested in hypnosis and dream analysis. He became a writer, he once said, because he had been asked by the Nobel Prize–winning doctor Theodor Kocher, whom he assisted in 1910, to write up his cases. Not long after his first novel, *The Galley*, was published in 1913, World War I broke out, and Weiss enlisted as a military physician. "I realized immediately," he later recalled, "that it was not poets that were needed, but doctors." He spent the duration of the war stationed on the Eastern Front and received a Golden Cross for bravery in 1918. The roles of poet and doctor did not, in the end, prove mutually exclusive: Weiss wrote Expressionist poems during the war, some of which featured a sleeping or sadistic "Anti-God."

During the Weimar years, he and his mistress, the actress Rahel Sanzara, lived in Berlin, where he wrote on average a novel per year and enjoyed considerable success: he received the Silver Medal for Prose Fiction at the 1928 Olympic Games. After the burning of the Reichstag in 1933, Weiss fled Germany, eventually settling in Paris. Working in increasing isolation—Sanzara died of cancer in 1936—he received a $30 monthly stipend from the American Guild for German Cultural Freedom, an arrangement facilitated by a writer with whom he shared mutual admiration, Thomas Mann, and Weiss's friend Stefan Zweig. When Zweig sent two volumes of his novellas to Weiss in 1936, Weiss wrote back gratefully that one of them had proved "that the old world we love isn't dead after all." If it was still alive then, it likely died around the same time as Weiss: he slit his wrists on June 14, 1940, the day the Nazis marched into Paris.

Weiss's novels are uneven but remarkable for their ambitious conceits, stylistic variation and unusual characters. His second book, *Franziska* (originally published as *Der Kampf* in 1916), a lyrically written if unoriginally plotted tale, follows Franziska in her struggle to become a pianist, traveling from a small Czech town to pre-war Berlin—both of which are wonderfully evoked. Success can come only at the expense of her relationship with Erwin, a fickle young man who creates a love triangle with a shorthand typist named Hedy. (Franz Kafka, who vacationed with Weiss and Sanzara after he broke off his engagement in 1913, thought the indecisive character bore a resemblance to himself.) By entering the consciousness of Franziska, Erwin and, to a lesser extent, Hedy, Weiss confuses the reader's sympathies. He favors ambiguity in matters moral and always has an interest in and compassion for deeply flawed, even malevolent characters—pimps, prostitutes, killers, kidnappers and suicides. He does not sentimentalize or judge. In 1924, for a series of books on contemporary criminals to which Mann also contributed, Weiss wrote *The Vukobrankovics Case*, which relied on court files and psychiatric evaluations to relate the story of a woman on trial for poisoning her lover's wife and children. The same novellas that Zweig had sent Weiss inspired him in 1937 to compose one of his own, *Jarmila*. After completing this clean and unsettling work about a toymaker-arsonist's attempts to reclaim his son, Weiss wrote to his friend, "What precision and subtlety and inner control this form requires." It is unfortunate Weiss hadn't read Zweig's books earlier: his mastery of those three qualities in this work trimmed his verbiage without impeding his ability to study character. These lessons were as yet unlearned when he wrote his ninth novel, *Georg Letham: Physician and Murderer*.

What remains so interesting about *Georg Letham* is Weiss's overt use of psychoanalytic tools for its construction, and the novel, in its severity, is a reminder of how Freudianism influenced the structure and language of fiction. As in *The Interpretation of Dreams*, analytic observations, childhood experiences and the Oedipal conflict are paramount. Weiss swiftly establishes Letham as an unreliable narrator and antihero, conscious of and prone to lamenting his own antipathy. He likes to refer to Hamlet—reverse the two syllables of the Prince of Denmark's name to reveal a familiar surname—whom he quotes on the subject of conscience. Letham is defined by two traits, misanthropy and monomindedness: he feverishly works to discover the pathogen for scarlet fever—the only

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activity that truly gives him pleasure—while outside his clinic he identifies man's "destructive urges," "animalistic ravings," "psychological motives" and propensity for "schadenfreude." There are diagnostic sentences early on that would turn Eliot's stomach. While Weiss is neither as subtle nor as philosophical as Dostoyevsky, and Letham's asides don't shock as much as those of the Underground Man, Letham still appeals to the reader, with his gallows humor and odd moments of compassion. As the novelty of Letham's derisive and declarative statements turns rote, Weiss has him murder his wife and confess his crime to his old and overbearing father, a moment of honesty that sends him to jail.

Weiss's plotting mirrors the process of analysis: the patient begins with various self-justifications and theories that, through the dirty and laborious work of therapy, he is gradually made to reassess. In solitary confinement, Letham finds himself recalling the formative experiences of his youth, of which his father is the locus. One of the life lessons Letham Sr. imparted to the boy required Letham to sleep in a rat-infested room for three days. After Letham's retelling of his horrific boyhood, Weiss shifts attention from the boy to his father, the primary cause for Letham's pathology. What follows is the novel's most memorable passage: the tale of the young and optimistic geographer Letham Sr. on his journey to become the first man to reach the North Pole. The expedition goes horribly wrong: the ship gets stuck in ice; the crew's mental and physical health deteriorate. During a last-ditch effort to smoke out the hordes of rats on board, the voracious rodents descend upon the men on shore in a bloody battle royal.

The Arctic episode is a vivid story within a story that could almost stand alone, like the Grand Inquisitor parable in *The Brothers Karamazov*, but its great strength is that it elucidates the Oedipal conflict at the heart of the novel. Through Letham's recounting of his father's journey, we glimpse Letham Sr. as a real man who suffered incredibly, his faith in man, God and the world gone the way of his sunken ship. The reader, like Letham, must reassess his position. At one point Letham wonders about his father: "Perhaps the world was not as bad, nowhere near as ghastly, as he made it out to be. Did he make it bad, or was it bad?" It's a good question, and Weiss's matter-of-fact attempts to show how and why people become who they are, his reliance on Freudian cause and effect, occasionally allow him to explore the human mind with surgical dexterity. Letham's misanthropy and his monominded devotion to science are inseparable: precisely what makes him redeemable also makes him irredeemable. It is this complex network of "self-canceling character traits" that Weiss set out to examine.

Unfortunately, his increasingly undisciplined narrative and unimaginative sentences get in the way. Despite the thrill of intellectual obsession—at penal colony C Letham labors as an inmate-assistant searching for a yellow fever vaccine—and the return of a rival doctor from medical school, the second half of the story divides our interests into too many tributaries, characters and asides interesting and not. Yet Weiss's ambition is as ever impressive, and the questions he raises are worthwhile. If man's character is his fate, to what extent can we control either? How can one man save lives yet also take them away? Weiss doesn't deal in definitive answers, and his insistent ambiguity taps "the unknown terror and mystery" in which Eliot believed our life is passed. Weiss uncovers the fear, apathy, longing and rage for which the now clichéd psychoanalytic terms were invented.

Weiss, like Wharton, was writing on an intellectual precipice—soon after psychoanalysis had upended Enlightenment notions of selfhood but before psychoanalytic practice, through misuse, overapplication and debunking, lost much of its efficacy for creative expression. Even in 1933, a year before Wharton's autobiography and two years after Weiss's novel were published, Freud wrote, "A writer who brings in the expression 'inferiority-complex' thinks he has satisfied all the demands of psycho-analysis.… As a matter of fact the phrase 'inferiority-complex' is hardly ever used in psycho-analysis." Phrases like "inferiority-complex" become a veil. They impart a knowing scientific air but can be used by a writer, or a patient, to protect himself from confronting the "unknown terror and mystery." Adam Phillips has noted that psychoanalysis can provide us with "too rational an account of irrationality," but that's no reason to write off the enterprise entirely, as Eliot did. Letham is guilty of Phillips's charge, often mistaking a diagnosis for an end instead of a means to one. It is not so simple, so clearly defined, for Weiss. His finest moments as a writer are when he plays the strict psychoanalyst, allowing his disturbed characters to speak their minds while he suspends judgment of right and wrong. The best writers, like the best analysts, practice their craft because of the terror and mystery, in search of the mystery and terror. ■

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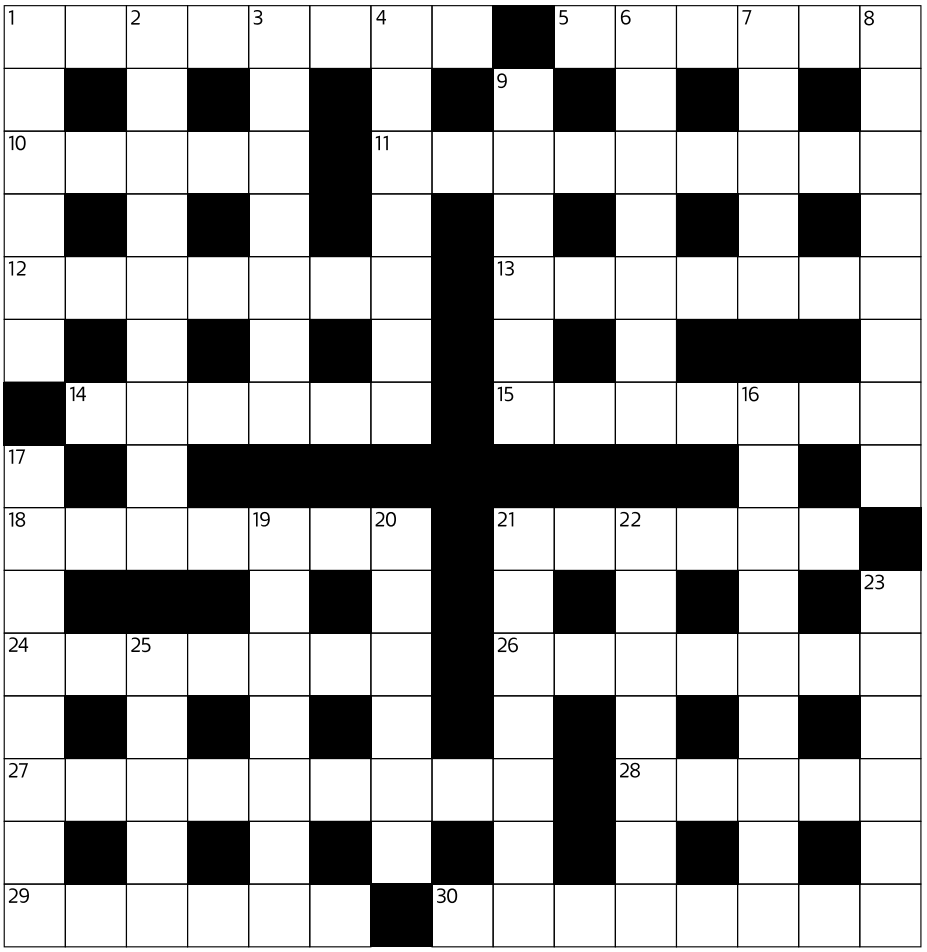

ACROSS

1 and **5** One might have to, with the nested type, before using them for play. (8,6)

10 The way you should start to get filled with wonder? (The course was changed if you did.) (5)

11 and **23** down Irresistibly met in paradox. (9,6)

12 A requirement to get articles from Paris sewers might have them, just in case. (7)

13 A possible description of highland fairways catches on, perhaps. (5,2)

14 Avoids women's dress? (6)

15 The sort that slip don't pound. (7)

18 It shouldn't be the low road of song. (7)

21, **19** and **1** down When company leaves without comment, naturally? (2,4,7,6)

24 In part, used at escaping what the drug does at times. (7)

26 Where they cleaned up with a type of Prohibition gin? (7)

27 To live in a state of flux, yet to be undamaged. (9)

28 Track harness? (5)

29 It's supposed to be returned, though the source might be private. (6)

30 Head-splitting, going on a tear with a partisan! (8)

DOWN

1 See 21 across

2 Traditionally hazardous seat. (6-3)

3 One might be a poser, or else shoot things full of holes. (7)

4 Everything between Q and U is in this, as one does without water. (7)

6 To do it and be recognized might be a challenge. (7)

7 Do they endear, with proper division? (5)

8 Did Mary's following grow to look so uncomfortable? (8)

9 Indicative of pleasure due to some distance being made in the boat. (6)

16 Being only human, Hamlet had no pretensions of being one. (5,4)

17 Scotch and Irish, typically—that is, moves quickly about! (8)

19 See 21 across

20 Is one likely to prove very agreeable? (3-3)

21 Hardly a way to introduce new blood. (7)

22 and **25** Where should you be headed? Scratch, if so told. (2,2,3,5)

23 See 11 across

25 See 22

This puzzle originally appeared in the September 20, 1975, issue.

SOLUTION TO PUZZLE NO. 1598

S	A	V	I	N	G	S	■	B	A	L	A	N	C	E
C	■	I	■	U	■	E	■	L	■	O	■	E	■	S
I	N	S	U	L	I	N	■	A	C	C	O	U	N	T
E	■	C	■	L	■	S	■	D	■	A	■	T	■	E
N	O	O	K	S	■	E	N	D	■	L	A	R	G	E
C	■	U	■	■	■	O	■	E	■	■	■	O	■	M
E	A	S	E	O	F	F	■	R	A	T	I	N	G	S
■	■	■	■	F	■	■	■	■	■	H	■	■	■	■
F	A	N	F	A	R	E	■	S	T	E	E	P	L	E
I	■	U	■	■	■	N	■	C	■	■	■	E	■	N
C	H	A	S	E	■	D	A	Y	■	B	A	R	I	C
T	■	N	■	L	■	L	■	T	■	U	■	F	■	A
I	N	C	L	U	D	E	■	H	E	L	P	E	R	S
O	■	E	■	D	■	S	■	E	■	G	■	C	■	E
N	E	S	T	E	R	S	■	S	H	E	E	T	E	D

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